

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



February 2, 1999

**ALL COUNTY INFORMATION NOTICE NO.I-09-99**

TO: ALL COUNTY WELFARE  
DIRECTORS  
ALL COUNTY WELFARE-TO-WORK  
COORDINATORS

**REASON FOR THIS TRANSMITTAL**

- ☐ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order or Settlement Agreement
- ☐ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS

SUBJECT: TECHNICAL AMENDMENTS TO THE CALIFORNIA WORK  
OPPORTUNITY AND RESPONSIBILITY TO KIDS (CalWORKs)  
WELFARE-TO-WORK PROGRAM

REFERENCE: ASSEMBLY BILL (AB) 1542, CHAPTER 270, STATUTES OF 1997,  
ALL COUNTY LETTER (ACL) NO. 97-72, ACL NO. 98-41

The purpose of this letter is to inform counties of changes to the CalWORKs Welfare-to-Work (WTW) program resulting from Assembly Bill (AB) 2772 (Chapter 902, Statutes of 1998). The new changes went into effect January 1, 1999.

**BACKGROUND**

On September 28, 1998, AB 2772 was enacted to make technical corrections and amendments to the Welfare and Institutions Code (W&I Code). Several of the technical amendments in AB 2772 require changes to the CalWORKs WTW emergency regulations. CDSS is in the process of incorporating regulatory revisions required by AB 2772 with those regulation changes being made as a result of public testimony on the WTW regulations. Because the revised regulations will not be issued until after January 1, 1999, we are issuing this All County Information Notice (ACIN) to notify counties of the changes that became effective on that date.

**AB 2772 CHANGES TO THE WELFARE-TO-WORK PROGRAM**State Hearing and Formal Grievance

W&I Code Section 11324.8(d) has been amended to provide that applicants for or recipients of aid who are dissatisfied with the provisions of the welfare-to-work plan, may seek redress through the independent assessment, state hearing, or county formal grievance process. The previous language in W&I Code Section 11324.8(d), which allowed applicants and recipients to address issues regarding dissatisfaction with the WTW plan through the conciliation process, has been deleted.

Teens

W&I Code Section 11325.22(a)(4) has been amended to clarify that a teen, upon earning his or her high school diploma or its equivalent, shall not be required, but may be permitted, to participate in job search activities as his or her first program assignment following appraisal.

Self-Initiated Programs (SIPs)

W&I Code Section 11325.23(e) has been amended to allow a recipient in an unapproved SIP to continue his or her educational program to the end of the semester or quarter, if he or she is enrolled in the program at the time that he or she is required to participate in welfare-to-work activities. The previous language that required enrollment prior to the implementation date of his or her county's CalWORKs Welfare-to-Work program has been deleted.

Substance Abuse Treatment Services

W&I Code Section 11325.8(d) includes a work requirement for a participant in a substance abuse treatment program. In some cases, participation in the treatment program meets the work activity requirement. The statute has been amended to restrict the circumstances under which participation in the treatment program meets the work requirement to those cases in which the recipient is in a state-licensed residential facility, or a certified nonresidential substance abuse program that requires him or her to stay at the program site for a minimum of three hours per day, three days per week, or otherwise not participate in nonprogram activities.

If you have any questions regarding the welfare-to-work activities, please contact Milt Yee, Employment Bureau, at (916) 657-3399. Questions regarding substance abuse treatment services should be directed to Karen Kennedy, Work Support Services Program Bureau, at (916) 657-3400.

Sincerely,

***Original Document Signed By  
Bruce Wagstaff on 2/2/99***

BRUCE WAGSTAFF  
Deputy Director  
Welfare to Work Division

Enclosure

## **Assembly Bill No. 2772**

### **CHAPTER 902**

An act to amend Sections 8351, 8353, 8354, 8355, 8357, and 8358 of, and to add Section 8358.5 to, the Education Code, to amend Section 17002 of the Unemployment Insurance Code, to amend Sections 10072, 10532, 10544.1, 10980, 11004, 11008.135, 11157, 11157.5, 11201, 11250.4, 11265.2, 11320.1, 11320.3, 11320.31, 11322.65, 11322.8, 11323.2, 11323.4, 11324.6, 11324.7, 11324.8, 11325.1, 11325.21, 11325.22, 11325.23, 11325.8, 11326, 11327.8, 11328.8, 11331, 11331.5, 11331.7, 11333.5, 11333.7, 11334.2, 11334.7, 11454, 11454.5, 11454.6, 11477, 11495.15, 14132.90, 15200, 18242, 18244, 18245, 18246, 18904, and 18904.1 of, to add Sections 10850.31, 11450.16, and 15204.9 to, to repeal Sections 11267 and 11334 of, and to repeal and add Section 11008.13 of, the Welfare and Institutions Code, relating to CalWORKs, and making an appropriation therefor.

[Approved by Governor September 27, 1998. Filed  
with Secretary of State September 28, 1998.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

AB 2772, Committee on Human Services. CalWORKs: welfare-to-work activities.

Existing federal law provides for allocation of federal funds through the federal Temporary Assistance for Needy Families (TANF) block grant program to eligible states. Existing law provides for the CalWORKs program for the allocation of federal funds received through the TANF program, under which each county provides cash assistance and other benefits to qualified low-income families. Prior to the enactment of the CalWORKs program, former existing law provided for the allocation of federal, state, and local funds for needy children, under the Aid to Families with Dependent Children (AFDC) program.

This bill would revise various statutory references to the AFDC program to conform to the CalWORKs program. The bill would revise methods of implementing the program of aid to needy families to reflect the change from the AFDC program to the CalWORKs program. The bill would also require that for purposes of determining eligibility for aid, families shall be grouped into assistance units, and would combine 2 or more assistance units into one assistance unit if they live in the same home under certain circumstances. By revising the method of determining aid, this bill would increase the responsibilities of counties, thereby resulting in a state-mandated local program.

Existing law requires that child care be provided in various stages to recipients of benefits under the CalWORKs program, and provides for various methods of providing the care at different stages.

This bill would require that the child care shall be provided according to certain stages when certain circumstances exist that prohibit the family from proceeding to the following stage of child care. It would also require that a family leaving cash aid under the CalWORKs program receive up to 2 years of child care, if otherwise eligible, as needed to continue the family's employment. Since each county is required to administer the provision of child care services, the bill would impose a state-mandated local program.

The bill would also require that county welfare departments share information necessary for the administration of the child care program and the CalWORKs program, thus imposing a state-mandated local program.

Existing law, until July 1, 1998, permits a county to reimburse the cost of child care services through a direct payment to a CalWORKs recipient, rather than to the child care provider.

This bill would also apply this provision to an alternative payment agency contracting with the State Department of Education. The bill would authorize payment to be made to the parent as the employer if care is provided in the home of the recipient.

Existing law creates grievance procedures for CalWORKs recipients involved in welfare-to-work activities.

This bill would make various changes in these grievance procedures.

Existing law requires that each county receive 75% of the state share of savings, including federal funds, resulting from specified outcomes relating to moving CalWORKs recipients to employment.

Existing law also requires that the remaining 25% of these savings be allocated to counties that have not realized savings due to the outcomes referred to above, but have performed in a manner worthy of recognition based upon standards developed by the department.

This bill would eliminate the requirement that a county must, in order to receive an allocation of these savings, not have realized savings due to the outcomes referred to above.

Existing law requires recipients of aid under the CalWORKs program who are under 19 years of age who are pregnant or custodial parents to participate in educational programs.

This bill would specify that eligible individuals who are under 19 years of age who are pregnant or custodial parents shall be required to participate in the Cal-Learn Program in lieu of the welfare-to-work activities generally required of recipients who are not otherwise exempted from participation, and would exempt teen parents from participation in the Cal-Learn Program if the recipient has an illness, injury, or incapacity that substantially deprives the teen parent from successfully earning a high school diploma or its equivalent and an

alternative education cannot be arranged. By revising the responsibilities of counties in determining the eligibility of a recipient, this bill would result in a state-mandated local program.

Existing law requires counties to arrange for the provision of education and supportive services needed by teenage parents to successfully participate in the Cal-Learn Program.

This bill would also modify the services that counties must provide to Cal-Learn Program recipients.

Existing law requires that applicants for, and recipients of, CalWORKs program benefits cooperate with the county welfare department and district attorney in establishing paternity of a child born out of wedlock.

This bill would specify that granting of aid shall not be delayed or denied if the otherwise eligible applicant completes the necessary forms and agrees to cooperate with the district attorney in securing support and determining paternity, thereby increasing the responsibilities of counties and resulting in a state-mandated local program.

Existing law specifies that recipients of CalWORKs program benefits may not receive benefits for more than 18 months unless there is no job available and the recipient participates in community activities, unless he or she is participating in welfare-to-work activities or other approved programs.

This bill would specify that limitation shall not apply to any month the recipient lived in Indian country or an Alaskan native village and 50% of the adults therein are not employed.

Existing law specifies that to the extent permitted by federal law, no child or family may receive CalWORKs program benefits if the total gross income exceeds 185% of the minimum basic standards of adequate care applicable to that child or family.

This bill would repeal that limitation, thereby increasing county responsibilities, thereby resulting in a state-mandated local program.

Existing law exempts certain income from consideration in determining CalWORKs eligibility.

This bill would also exempt earnings from college work-study programs provided for under specified provisions of federal and state law, thereby increasing county responsibilities and thus resulting in a state-mandated local program.

Existing law provides that a gift or any other transfer of assets for less than fair market value by a CalWORKs recipient shall result in a period of ineligibility for CalWORKs benefits determined in accordance with specified requirements.

This bill would specify that this provision applies only to transfers of income or resources that would otherwise affect a recipient's eligibility for benefits or the amount of benefits to which he or she would be entitled.

Existing law provides that, for purposes of determining CalWORKs eligibility, a child shall be considered to be deprived of parental support or care due to the unemployment of his or her parent or parents when the parent has worked not more than 100 hours in the preceding 4 weeks and meets specified requirements.

This bill would, instead, provide that this requirement would be met when the parent has worked less than 100 hours in the preceding 4 weeks and the other requirements have been met, thereby increasing county responsibilities and thus resulting in a state-mandated local program.

Existing law appropriates funds to pay for a share of the county costs of aid grants under the CalWORKs program.

By making various changes in CalWORKs eligibility provisions that increase program eligibility, the bill would constitute an appropriation.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services, pursuant to which medical benefits are provided to public assistance recipients and certain other low-income persons.

Under existing law, day care habilitative services are a covered Medi-Cal benefit only when provided to alcohol and drug exposed pregnant women and women in the postpartum period, or as required by federal law, with the exception that outpatient methadone maintenance and Naltrexone remain Medi-Cal benefits.

This bill would revise that provision to include narcotic replacement therapy and Naltrexone as Medi-Cal benefits as an exception to the limitation on day care habilitative services, and would revise the method of calculating costs of those benefits for purposes of the limitation on funding outpatient drug abuse services.

Existing law continuously appropriates money from the General Fund to each county for the support and maintenance of needy children, based on a specified percentage of the amount calculated under the CalWORKs program.

This bill would revise the percentage basis of the continuing appropriation, thereby resulting in an increase in the continuously appropriated funds, and resulting in an appropriation.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.



Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 8351 of the Education Code, as amended by Section 4 of Assembly Bill 2779 of the 1997–98 Regular Session, is amended to read:

8351. (a) The county welfare department shall manage the first stage during which a family shall receive a child care subsidy for any legal care chosen by the parent. The first stage begins upon the entry of a person into the program prescribed by Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code.

(b) A county shall move recipients out of this first response stage as quickly as possible after the county determines that the need for child care is stable. A recipient may be served in this stage for a maximum of six months. The six-month time limit may be extended if the county determines that the recipient's situation is too unstable to be shifted to the second stage or if no funds are available to provide child care services in the second stage.

(c) Former CalWORKs recipients who cannot be transitioned from the first stage of child care because no funded slot is available are eligible to receive the first stage and any subsequent stage two child care services for up to a total of 24 months after they leave cash aid, or until they are otherwise ineligible within that 24-month period. Family size and income for purposes of determining eligibility and family fee shall be determined pursuant to Sections 8263 and 8263.1.

(d) The county welfare department shall also begin the first stage of child care when an individual who applies for aid under the program described in Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code is participating as a volunteer pursuant to Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

(e) A county may contract with public or private child care providers to provide any or all of the services during the first stage. If the county welfare department elects to contract with any child care provider that is also under contract with the State Department of Education, these contracts shall be consistent with state law.

SEC. 2. Section 8353 of the Education Code, as amended by Section 5 of Assembly Bill 2779 of the 1997–98 Regular Session, is amended to read:

8353. (a) The second stage of child care begins when the county determines that the recipient's work or approved work activity is stable or when a recipient is transitioning off of aid and child care is available through a local stage two program. Second stage child care

may be provided to a family who elects to receive a lump-sum diversion payment or diversion services under Section 11266.5 of the Welfare and Institutions Code when a funded space is not immediately available for the family in third stage. The local stage two agency shall assist in moving families to stage three as quickly as feasible. Former CalWORKs recipients are eligible to receive child care services in stage one and stage two for up to a total of no more than 24 months after they leave cash aid, or until they are otherwise ineligible within that 24-month period. Family size and income for purposes of determining eligibility and calculating the family fee shall be determined pursuant to Sections 8263 and 8263.1. A family leaving cash aid under the CalWORKs program shall receive up to two years of child care, if otherwise eligible, as needed to continue the family's employment. The provision of the two-year time limit is not intended to limit eligibility for child care under Section 8354.

(b) The second stage shall be administered by agencies contracting with the State Department of Education. These contractors may be either agencies that have an alternative payment contract pursuant to Section 8220.1 or county welfare departments that choose to administer this stage in order to continue to provide child care services for recipients or former recipients of aid. If the county chooses to contract with the department to provide alternative payment services, this contract shall not displace, or result in the reduction of an existing contract of, a current alternative payment program.

SEC. 3. Section 8354 of the Education Code, as amended by Section 6 of Assembly Bill 2779 of the 1997–98 Regular Session, is amended to read:

8354. (a) The third stage of child care begins when a funded space is available. CalWORKs recipients are eligible for the third stage of child care. Persons who received a lump-sum diversion payment or diversion services and former CalWORKs participants are eligible if they have an income that does not exceed 75 percent of the state median income. The third stage shall be administered by programs contracting with the State Department of Education. Parents' eligibility for child care and development services will be governed by Section 8263 and regulations adopted by the State Department of Education.

(b) In order to move welfare recipients and former recipients from their relationship with county welfare departments to relationships with institutions providing services to working families, it is the intent of the Legislature that families that are former recipients of aid, or are transitioning off aid, receive their child care assistance in the same fashion as other low-income working families. Therefore, it is the intent of the Legislature that families no longer rely on county welfare departments to obtain child care subsidies





beyond the time they are receiving other services from the welfare department.

(c) A county welfare department shall not administer the third stage of child care for CalWORKs recipients except to the extent to which it delivered those services to families receiving, or within one year of having received, Aid to Families with Dependent Children prior to the enactment of this section.

(d) This article does not preclude county welfare departments from operating an alternative payment program under contract with the State Department of Education to serve families referred by child protective services.

SEC. 5. Section 8357 of the Education Code is amended to read:

8357. (a) The cost of child care services provided under this article shall be governed by regional market rates. Recipients of child care services provided pursuant to this article shall be allowed to choose the child care services of licensed child care providers or child care providers who are, by law, not required to be licensed, and the cost of that child care shall be reimbursed by counties or agencies that contract with the State Department of Education if the cost is within the regional market rate. For purposes of this section, “regional market rate” means care costing no more than 1.5 market standard deviations above the mean cost of care for that region.

(b) Reimbursement to child care providers shall not exceed the fee charged to private clients for the same service.

(c) Reimbursement shall not be made for child care services when care is provided by parents, legal guardians, or members of the assistance unit.

(d) A child care provider located on an Indian reservation or rancheria and exempted from state licensing requirements shall meet applicable tribal standards.

(e) For purposes of this section, “reimbursement” means a direct payment to the provider of child care services, including license exempt-providers. If care is provided in the home of the recipient, payment may be made to the parent as the employer, and the parent shall be informed of his or her concomitant legal and financial reporting requirements. To allow time for the development of the administrative systems necessary to issue direct payments to providers, for a period not to exceed six months from the effective date of this article, a county or an alternative payment agency contracting with the State Department of Education may reimburse the cost of child care services through a direct payment to a recipient of aid rather than to the child care provider.

(f) Counties and alternative payment programs shall not be bound by the rate limits described in subdivision (a) when there are, in the region, no more than two child care providers of the type needed by the recipient of child care services provided under this article.

SEC. 6. Section 8358 of the Education Code, as amended by Section 7 of Assembly Bill 2779 of the 1997–98 Regular Session, is amended to read:

8358. (a) By January 31, 1998, the State Department of Education and the State Department of Social Services shall design a form for license-exempt child care providers to use for certifying health and safety requirements to the extent required by federal law. Until the form is adopted, the information required pursuant to Section 11324 of the Welfare and Institutions Code shall continue to be maintained by the county welfare department or contractor, as appropriate.

(b) By January 31, 1998, the State Department of Education and the State Department of Social Services shall do all of the following:

(1) Design a standard process for complaints by parents about the provision of child care that is exempt from licensure.

(2) Design, in consultation with local planning councils, a single application for all child care programs and all families.

(3) Present recommendations to the Legislature on ways to consolidate state and federal child care programs.

(c) (1) County welfare departments and alternative payment programs shall encourage all providers who are licensed or who are exempt from licensure and who are providing care under Section 8351, 8353, or 8354, to secure training and education in basic child development.

(2) Child care provider job training provided to CalWORKs recipients that is funded by either the State Department of Education or the State Department of Social Services shall include information on becoming a licensed child care provider.

(d) The State Department of Education shall increase consumer education and consumer awareness activities so that parents will have the information needed to seek child care of high quality. High quality child care shall include both licensed and license-exempt care.

SEC. 7. Section 8358.5 is added to the Education Code, to read:

8358.5. Notwithstanding any other confidentiality requirement, the government or private agency administering subsidized child care services shall share information necessary for the administration of the child care programs pursuant to this article and the CalWORKs program pursuant to Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, for the time period for which the person receives child care.

SEC. 8. Section 17002 of the Unemployment Insurance Code is amended to read:

17002. In carrying out the provisions of this division, the department shall conduct activities including, but not limited to, the following:

(a) Establish a council of corporate executives consisting of 13 members drawn from the business community including, but not limited to, retired or former chief executive officers of major California corporations. Seven members shall be appointed by the Governor, three shall be appointed by the Senate Committee on Rules, and three shall be appointed by the Speaker of the Assembly. Appointments shall be made no later than January 31, 1998. This council shall provide ongoing advice and assistance to the department in recruiting private employers to hire recipients of aid.

(b) In consultation with the council described in subdivision (a), establish a clearinghouse for information on the Internet or other forms of toll-free communication for private sector employers to obtain information about assistance and resources for hiring CalWORKs recipients and to register their pledges to assist the state in finding the jobs necessary to meet the local welfare-to-work goals throughout the state.

(c) In consultation with the council described in subdivision (a), provide a forum for leaders in the faith-based communities, as well as other civic leaders, to assist the state in promoting welfare-to-work goals as part of the civic duty of their constituents.

(d) Report to the Legislature during the annual budget process regarding the implementation of this division and the results achieved.

SEC. 8.5. Section 10072 of the Welfare and Institutions Code is amended to read:

10072. The electronic benefits transfer system required by this chapter shall be designed to do, but not be limited to, all of the following:

(a) To the extent permitted by federal law and the rules of the program providing the benefits, recipients who are required to receive their benefits using an electronic benefits transfer system shall be permitted to gain access to the benefits in any part of the state where electronic benefits transfers are accepted. All electronic benefits transfer systems in this state shall be designed to allow recipients to gain access to their benefits by using every other electronic benefits transfer system.

(b) To the maximum extent feasible, electronic benefits transfer systems shall be designed to be compatible with the electronic benefits transfer systems in other states.

(c) All reasonable measures shall be taken in order to ensure that recipients have access to electronically issued benefits through systems such as automated teller machines, point-of-sale devices, or other devices that accept electronic benefits transfer transactions.

(d) The system shall provide for reasonable access to benefits to recipients who demonstrate an inability to use, an electronic benefits transfer card or other aspect of the system because of disability, language, lack of access, or other barrier. These alternative methods

shall conform to the requirements of the Americans with Disabilities Act (42 U.S.C. Sec. 12101, et seq.), including reasonable accommodations for recipients who, because of physical or mental disabilities, are unable to operate or otherwise make effective use of the electronic benefits transfer system.

(e) The system shall permit a recipient the option to choose a personal identification number, also known as a “pin” number, to assist the recipient to remember his or her number in order to allow access to benefits. Whenever an institution, authorized representative, or other third party not part of the recipient household or assistance unit has been issued an electronic benefits transfer card, either in lieu of, or in addition to, the recipient, the third party shall have a separate card and personal identification number. At the option of the recipient, he or she may designate whether restrictions apply to the third party’s access to the recipient’s benefits. At the option of the recipient head of household or assistance unit, the county shall provide multiple electronic benefits transfer cards to adult members enabling them to access benefits.

(f) The system shall have a 24-hour per day toll-free telephone hotline for the reporting of lost or stolen cards and that will provide recipients with information on how to have the card and personal identification number replaced.

(g) A recipient shall not incur any loss of electronic benefits after reporting his or her electronic benefits transfer card or personal identification number has been lost or stolen. The system shall provide for the prompt replacement of lost or stolen electronic benefits transfer cards and personal identification numbers. Electronic benefits for which the case was determined eligible and that were not withdrawn by transactions using an authorized personal identification number for the account shall also be promptly replaced.

(h) Electronic benefits transfer system consumers shall be informed on how to use electronic benefits transfer cards and how to protect them from misuse.

(i) Procedures shall be developed for error resolution.

(j) No fee shall be charged by the state, a county, or an electronic benefits processor certified by the state to retailers participating in the electronic benefits transfer system.

(k) Except for food stamp transactions, a recipient may be charged a fee, not to exceed the amount allowed by applicable state and federal law and customarily charged to other customers, for cash withdrawal transactions that exceed four per month.

SEC. 9. Section 10532 of the Welfare and Institutions Code is amended to read:

10532. The department and the counties shall implement the provisions of the CalWORKs program in the following manner:

(a) The department shall issue a planning allocation letter and county plan instructions to the counties within 30 days of the enactment of the CalWORKs program.

(b) (1) Each county shall submit a plan for implementation of the CalWORKs program within four months of the issuance of the planning allocation letter by the department. A county may begin implementation of its plan upon submission of the plan to the department or the effective date of the CalWORKs program, whichever is later.

(2) Within 30 days of receipt of a county plan, the department shall either certify that the plan includes the description of the elements required by Section 10531 and that the descriptions are consistent with the requirements of state law and, to the extent applicable, federal law or notify the county that the plan is not complete or consistent stating the reasons therefor.

(3) If a county is notified that its plan is not complete or consistent, the county shall, within 30 days, resubmit a revised plan to the department for certification.

(c) (1) A county shall begin enrolling all new applicants for aid under this chapter in the county's welfare-to-work program no later than six months from the date of issuance of the planning allocation letter references in subdivision (a) or two months after the certification of the county plan, whichever is later.

(2) A county shall enroll all recipients of aid under this chapter who were receiving aid in the month prior to the implementation date for new applicants specified in paragraph (1) no later than January 1, 1999. For recipients under this paragraph, the time limit in subdivision (a) of Section 11454 shall commence on the date the recipient signs, or refuses, without good cause, to sign, a welfare-to-work plan.

(d) Funds remaining at the end of the 1997–98 fiscal year or the 1998–99 fiscal year from the funds provided to a county in those years pursuant to Section 15204.2 shall be available to a county until July 1, 2000, and may be expended only for the purposes set forth in Section 15204.2.

SEC. 9.5. Section 10544.1 of the Welfare and Institutions Code is amended to read:

10544.1. It is the intent of the Legislature to provide counties with 100 percent of the grant savings as defined in subdivisions (a) to (e), inclusive.

(a) In order to provide counties with additional incentive to move CalWORKs recipients to employment, each county shall receive 75 percent of the state share of savings, including federal funds under the Temporary Assistance for Needy Families block grant, resulting from the following outcomes:

(1) Recipients exiting the program due to employment that has lasted a minimum of six months.

(2) Increased earnings by recipients due to employment.

(3) Diversion of applicants from the program pursuant to Section 11266.5 for six months in addition to the number of months equivalent to the diversion payment.

(b) For purposes of subdivision (a), the department, in consultation with the steering committee under Section 10544.317, shall determine the method for valuing the outcomes to determine county share of savings.

(c) The department shall allocate the remaining 25 percent of the state share of savings resulting from the outcomes specified in subdivision (a) to counties that have performed in a manner worthy of recognition based on standards developed by the department in consultation with the counties.

(d) The funds allocated to counties pursuant to subdivisions (a) and (b) that are federal Temporary Assistance for Needy Families block grant funds shall be used only for purposes for which these federal funds may be used. The funds that are state general fund dollars shall be expended for purposes directly connected to the CalWORKs program and countable towards the state maintenance of effort level required by federal law, unless the Director of Finance determines that all or part of the funds are not needed in that fiscal year to meet the required maintenance of effort. Any unexpended funds may be retained by each county for expenditure in subsequent fiscal years for purposes consistent with this subdivision.

(e) It is the intent of the Legislature that the provisions of this section regarding the allocation of incentives shall be revised by subsequent enactment of legislation based upon the recommendations of the steering committee established pursuant to Section 10544.317.

SEC. 10. Section 10850.31 is added to the Welfare and Institutions Code, to read:

10850.31. (a) For the CalWORKs and Food Stamp Programs only, notwithstanding any other provision of law, the address, social security number, and, if available, photograph of any applicant or recipient shall be made available, on request, to any federal, state, or local law enforcement officer if the officer furnishes the county welfare department with the name of the applicant or recipient and notifies the county welfare department that the following apply:

(1) Any one of the following applies:

(A) The applicant or recipient is fleeing to avoid prosecution, custody, or confinement after conviction, for a crime that, under the law of the place the applicant is fleeing, is a felony, or, in the case of New Jersey, a high misdemeanor.

(B) The applicant or recipient is violating a condition of probation or parole imposed under state or federal law.



(C) The applicant or recipient has information that is necessary for the officer to conduct an official duty related to those issues stated in paragraph (1) or (2).

(2) Locating or apprehending the applicant or recipient is an official duty of the law enforcement officer.

(3) The request is being made in the proper exercise of an official duty.

(b) This section shall not authorize the release of a general list identifying individuals applying for or receiving public social services under the CalWORKs program or the Food Stamp Program.

(c) This section shall be implemented only to the extent permitted by federal law.

SEC. 11. Section 10980 of the Welfare and Institutions Code is amended to read:

10980. (a) Any person who, willfully and knowingly, with the intent to deceive, makes a false statement or representation or knowingly fails to disclose a material fact in order to obtain aid under the provisions of this division or who, knowing he or she is not entitled thereto, attempts to obtain aid or to continue to receive aid to which he or she is not entitled, or to receive a larger amount than that to which he or she is legally entitled, is guilty of a misdemeanor, punishable by imprisonment in the county jail for a period of not more than six months, a fine of not more than five hundred dollars (\$500), or by both such imprisonment and fine.

(b) Any person who knowingly makes more than one application for aid under the provisions of this division with the intent of establishing multiple entitlements for any person for the same period or who makes an application for this aid for a fictitious or nonexistent person or by claiming a false identity for any person is guilty of a felony, punishable by imprisonment in the state prison for a period of 16 months, two years, or three years, a fine of not more than five thousand dollars (\$5,000), or by both such imprisonment and fine, or by imprisonment in the county jail for a period of not more than one year, or a fine of not more than one thousand dollars (\$1,000), or by both such imprisonment and fine.

(c) Whenever any person has, by means of false statement or representation or by impersonation or other fraudulent device, obtained or retained aid under the provisions of this division for himself or herself or for a child not in fact entitled thereto, the person obtaining this aid shall be punished as follows:

(1) If the total amount of this aid obtained or retained is four hundred dollars (\$400) or less, by imprisonment in the county jail for a period of not more than six months, a fine of not more than five hundred dollars (\$500), or by both such imprisonment and fine.

(2) If the total amount of this aid obtained or retained is more than four hundred dollars (\$400), by imprisonment in the state prison for a period of 16 months, two years, or three years, a fine of not more

than five thousand dollars (\$5,000), or by both such imprisonment and fine; or by imprisonment in the county jail for a period of not more than one year, or a fine of not more than one thousand dollars (\$1,000), or by both such imprisonment and fine.

(d) Any person who knowingly uses, transfers, acquires, or possesses blank authorizations to participate in the federal Food Stamp Program in any manner not authorized by Chapter 10 (commencing with Section 18900) of Part 6 with the intent to defraud is guilty of a felony, punishable by imprisonment in the state prison for a period of 16 months, two years, or three years, a fine of not more than five thousand dollars (\$5,000), or by both such imprisonment and fine.

(e) Any person who counterfeits or alters or knowingly uses, transfers, acquires, or possesses counterfeited or altered authorizations to participate in the federal Food Stamp Program or to receive food stamps or electronically transferred benefits in any manner not authorized by the Food Stamp Act of 1964 (Public Law 88-525 and all amendments made thereto) or the federal regulations pursuant to the act is guilty of forgery.

(f) Any person who fraudulently appropriates food stamps, electronically transferred benefits, or authorizations to participate in the federal Food Stamp Program with which he or she has been entrusted pursuant to his or her duties as a public employee is guilty of embezzlement of public funds.

(g) Whoever knowingly uses, transfers, sells, purchases, or possesses food stamps, electronically transferred benefits, or authorizations to participate in the federal Food Stamp Program in any manner not authorized by Chapter 10 (commencing with Section 18900), of Part 6, or by the federal Food Stamp Act of 1977 (Public Law 95-113 and all amendments made thereto) is:

(1) Guilty of a misdemeanor if the face value of the food stamp benefits or the authorizations to participate is four hundred dollars (\$400) or less, and shall be punished by imprisonment in the county jail for a period of not more than six months, a fine of not more than five hundred dollars (\$500), or by both such imprisonment and fine.

(2) Guilty of a felony if the face value of the food stamps or the authorizations to participate exceeds four hundred dollars (\$400), and shall be punished by imprisonment in the state prison for a period of 16 months, two years, or three years, a fine of not more than five thousand dollars (\$5,000), or by both such imprisonment and fine or by imprisonment in the county jail for a period of not more than one year, or a fine of not more than one thousand dollars (\$1,000), or by both such imprisonment and fine.

SEC. 12. Section 11004 of the Welfare and Institutions Code is amended to read:

11004. The provisions of this code relative to public social services for which state grants-in-aid are made to the counties shall be



administered fairly to the end that all persons who are eligible and apply for such public social services shall receive the assistance to which they are entitled promptly, with due consideration for the needs of applicants and the safeguarding of public funds.

(a) Any applicant for, or recipient or payee of, such public social services shall be informed as to the provisions of eligibility and his or her responsibility for reporting facts material to a correct determination of eligibility and grant.

(b) Any applicant for, or recipient or payee of, such public social services shall be responsible for reporting accurately and completely within his or her competence those facts required of him or her pursuant to subdivision (a) and to report promptly any changes in those facts.

(c) Current and future grants payable to an assistance unit may be reduced because of prior overpayments. In cases where the overpayment was caused by agency error, grant payments shall be reduced by 5 percent of the maximum aid payment of the assistance unit. Grant payments to be adjusted because of prior overpayments because of any other reason shall be reduced by 10 percent of the maximum aid payments for the assistance unit. A recipient may have an overpayment adjustment in excess of the amounts allowable under this section if the recipient requests it.

(d) No determination of ineligibility shall be made retrospectively so as to result in an assessment of an overpayment in circumstances where there is a failure on the part of an applicant or recipient to perform an act constituting a condition of eligibility, if the failure is caused by an error made by a state agency or a county welfare department, and if the amount of the grant received by the applicant or recipient would not have been different had the act been performed.

(e) Prior to effectuating any reduction of current grants to recover past overpayments, the recipient shall be advised of the proposed reduction and of his or her entitlement to a hearing on the propriety of the reduction.

(f) If the department determines after a hearing that an overpayment has occurred, the county providing the public social services shall seek to recover in accordance with subdivision (c) the full amount of the overpayment to the assistance unit, including any amount paid while the hearing process was pending. Such adjustment shall be permitted concurrently with any suit for restitution, and recovery of overpayment by adjustment shall reduce by the amount of such recovery the extent of liability for restitution.

(g) If the individual is no longer receiving aid under Chapter 2 (commencing with Section 11200) recovery of overpayments received under that chapter shall not be attempted where the outstanding overpayments are less than thirty-five dollars (\$35). Where the overpayment amounts owed are thirty-five dollars (\$35)



or more, reasonable cost-effective efforts at collection shall be implemented. Reasonable efforts shall include notification of the amount of the overpayment and that repayment is required. The department shall define reasonable cost-effective collection methods. In cases involving fraud, every effort shall be made to collect the overpayments regardless of the amount.

(h) If the individual responsible for the overpayment to the assistance unit is no longer eligible for public social services or if he or she becomes a member of another assistance unit, recoupment of overpayments shall be made against the individual or his or her present assistance unit, or both.

(i) Where an overpayment has been made to an assistance unit which is no longer receiving public social services, recovery shall be made by appropriate action under state law against the income or resources of the individual responsible for the overpayment or against the family.

(j) No civil or criminal action may be commenced against any person based on alleged unlawful application for or receipt of public social services, where the case record of such person has been destroyed after the expiration of the four-year retention period pursuant to Section 10851.

(k) When an underpayment or denial of public social service occurs and as a result the applicant or recipient does not receive the amount to which he or she is entitled, the county shall provide public social services equal to the full amount of the underpayment unless prohibited by federal law. In cases that have both an underpayment and an overpayment, the underpayment shall be offset against the overpayment prior to correcting any remaining underpayment.

Any corrective payments made pursuant to this subdivision shall be disregarded in determining the income of the family and shall be disregarded in determining the resources of the family in the month the corrective payment is made and in the following month.

(l) This subdivision shall be applicable only to applicants, recipients and payees under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9. Any suits to recover overpayments described in subdivision (f) shall be brought on behalf of the county by the county counsel unless the board of supervisors delegates such duty to the district attorney by ordinance or resolution.

SEC. 13. Section 11008.13 of the Welfare and Institutions Code is repealed.

SEC. 14. Section 11008.13 is added to the Welfare and Institutions Code, to read:

11008.13. To the extent permitted by federal law and consistent with other provisions of this chapter, in determining the eligibility and amount of aid under this division for an alien for whom an affidavit of support was executed prior to December 19, 1997, the income and resources of the alien shall be deemed to include the

income and resources of any person who had executed an affidavit of support on behalf of the alien and the spouse of that person as provided in Section 408 of the Social Security Act (42 U.S.C. Sec. 608) and any subsequent amendments thereto.

SEC. 15. Section 11008.135 of the Welfare and Institutions Code is amended to read:

11008.135. (a) Notwithstanding any other provision of law, in determining the eligibility and amount of aid for an alien under this division, the income and resources of the alien shall be deemed to include the income and resources of any person who has executed an affidavit of support on behalf of the alien and the spouse of that person as provided in Subtitle C (commencing with Section 421) of Title IV of Public Law 104-193, as amended by Public Law 104-208, and any subsequent amendments thereto, subject to any exceptions required by those provisions, including exceptions for indigents and battered spouses.

(b) As a condition of eligibility, the sponsored applicant or recipient shall provide information regarding the income and resources of any person, and the spouse of that person, who has executed an affidavit of support on behalf of the alien.

SEC. 16. Section 11157 of the Welfare and Institutions Code is amended to read:

11157. (a) Notwithstanding Section 11008, all lump-sum income received by an applicant or recipient shall be regarded as income in the month received except nonrecurring lump-sum social insurance payments, which shall include social security income, railroad retirement benefits, veteran's benefits, worker's compensation, and disability insurance.

(b) Except as otherwise provided in this part, for purposes of this chapter and Chapter 2 (commencing with Section 11200), "income" shall be deemed to be the same as applied under the Aid to Families with Dependent Children program on August 21, 1996, except that income that is received too infrequently to be reasonably anticipated, as exempted in federal food stamp regulations, shall be exempt from consideration. In addition, earnings from college work-study programs under Title IV of the federal Higher Education Act or Article 18 (commencing with Section 69950) of Chapter 2 of Part 42 of the Education Code or college work-study program, as established in the annual Budget Act, for individuals receiving aid under Chapter 2 (commencing with Section 11200) shall be exempt from consideration as income.

SEC. 17. Section 11157.5 of the Welfare and Institutions Code is amended to read:

11157.5. The receipt of aid under Chapter 2 (commencing with Section 11200) shall not impose any limitation or restriction upon a recipient's right to sell, exchange, or change, the form of property holdings. However, a gift or any other transfer of assets, including

income and resources, by a recipient for less than fair market value shall result in a period of ineligibility for aid under Chapter 2 (commencing with Section 11200) for the number of months, rounded down to the nearest whole number, that equals the quotient of the difference between the fair market value of the asset and the amount received for the asset divided by the standard of need applicable to the family under Section 11452. This section shall only apply to transfer of income or resources that would otherwise affect a recipient's eligibility for benefits or the amount of benefits to which he or she would be entitled.

SEC. 18. Section 11201 of the Welfare and Institutions Code is amended to read:

11201. For the purposes of this chapter, the following shall apply:

(a) "Unemployed parent" means a natural or adoptive parent with whom the child is living.

(b) A child for whom a parent is applying for assistance under this chapter shall be considered to be deprived of parental support or care due to the unemployment of his or her parent or parents when the parent has worked less than 100 hours in the preceding four weeks and meets the requirements concerning an unemployed parent in effect on August 21, 1996, as set forth in Section 233.100 of Title 45 of the Code of Federal Regulations except for the provisions of subparagraph (i) to (v), inclusive, of paragraph (3) of subsection (a) of that section.

(c) A family receiving aid under this chapter with a child who is considered to be deprived of parental support or care due to unemployment may continue to receive assistance regardless of the number of hours his or her parent works provided the family does not exceed the applicable gross or net income limits and is otherwise eligible for assistance.

SEC. 19. Section 11250.4 of the Welfare and Institutions Code is amended to read:

11250.4. Aid under this chapter shall not be payable to an assistance unit if a caretaker relative is, on the last day of the month, participating in a strike, unless the strike is necessitated by an imminent health and safety hazard or abnormally dangerous working conditions at the place of employment as determined by the Division of Occupational Safety and Health, or a lockout as defined in Section 1132.8 of the Labor Code. For the purposes of this section, a strike necessitated by an imminent health and safety hazard or abnormally dangerous working condition shall last only so long as necessitated by the imminent hazard or abnormally dangerous working condition. If an individual other than a caretaker relative is participating in a strike, as defined in this section, on the last day of the month, subject to the exceptions and their limitations set forth in this section, that individual's needs shall not be included in determining the amount of aid payable to the assistance unit for the



month during which the individual is participating in the strike on the last day of that month.

SEC. 20. Section 11265.2 of the Welfare and Institutions Code is amended to read:

11265.2. (a) The director shall implement, under this chapter and the Food Stamp Program (Chapter 10 (commencing with Section 18900) of Part 6), a demonstration program in up to six counties to test an alternative method of recipient reporting, as described in this section. The director shall seek federal approval, as necessary, to allow for participation in the Food Stamp Program in the demonstration program. The counties initially selected for participation under this section shall include small, medium, and large counties, but shall not include a county with a population in excess of 6,000,000.

(b) The demonstration program may operate for up to three years. After the first year of operation, the director shall evaluate the demonstration program and may continue, expand, or terminate the project. In addition, if, at any time after the first year of demonstration program operation, the director determines that the method is cost-effective and administratively efficient, the director may, notwithstanding Sections 11265 and 11265.1, implement the alternative method of recipient reporting pursuant to this section on a permanent, statewide basis.

(c) The alternative method of reporting to be used pursuant to this section shall provide for the following:

(1) The county shall redetermine the financial eligibility of each recipient every six months, and may, at the option of the county, conduct a full eligibility redetermination on an annual basis.

(2) A recipient shall report to the county any change in his or her household's monthly income or resources in excess of seventy-five dollars (\$75), and any change in the composition of his or her household within 10 days after that change. Upon the report of any change in excess of seventy-five dollars (\$75) or any change in the household composition, the county shall recalculate an assistance unit's grant level.

(3) Notwithstanding any other provision of law, in recalculating the amount of a recipients's grant pursuant to this section, changes in the grant amount shall be made on a prospective basis.

(4) The warrant provided to a recipient of aid under this chapter shall provide for an endorsement under penalty of perjury by a recipient indicating that all required changes in income, resources, and household composition have been reported. The warrant shall be accompanied by notification of recipient reporting responsibilities.

SEC. 21. Section 11267 of the Welfare and Institutions Code is repealed.

SEC. 22. Section 11320.1 of the Welfare and Institutions Code is amended to read:

11320.1. Subsequent to the commencement of the receipt of aid under this chapter, the sequence of employment related activities required of participants under this article, unless exempted under Section 11320.3, shall be as follows:

(a) Job search. Recipients shall, and applicants may, at the option of a county and with the consent of the applicant, receive orientation to the welfare-to-work program provided under this article, receive appraisal pursuant to Section 11325.2, and participate in job search and job club activities provided pursuant to Section 11325.22.

(b) Assessment. If employment is not found during the period provided for pursuant to subdivision (a), or at any time the county determines that participation in job search for the period specified in subdivision (a) of Section 11325.22 is not likely to lead to employment, the participant shall be referred to assessment, as provided for in Section 11325.4. Following assessment, the county and the participant shall develop a welfare-to-work plan, as specified in Section 11325.21. The plan shall specify the activities provided for in Section 11322.6 to which the participant shall be assigned, and the supportive services, as provided for pursuant to Section 11323.2, with which the recipient will be provided.

(c) Work activities. A participant who has signed a welfare-to-work plan pursuant to Section 11325.21 shall participate in work activities until he or she has received aid for the period specified in subdivision (a) of Section 11454. If, after the period specified in paragraph (1) of subdivision (a) of Section 11454, the participant has not obtained unsubsidized employment, the county may extend the welfare-to-work plan by up to six months if the county determines that the extension is likely to lead to unsubsidized employment or if local unemployment or other conditions in the local economy are such that employment is not available. If a recipient has received aid for the period specified in subdivision (a) of Section 11454 and returns to aid after a break in aid of at least one month, the county shall determine whether to require the recipient to participate in welfare-to-work activities or in community service.

(d) Community service.

(1) If a participant has received aid for the period specified in subdivision (a) of Section 11454, and the participant has not found unsubsidized employment sufficient to meet the hours of participation required by Section 11322.8 and the county has certified that no job is available for that participant, the participant shall remain eligible for aid under this chapter only if he or she participates in community service activities pursuant to Section 11322.9.

(2) The county shall provide community service activities assignments as described in Section 11322.9.

(3) An individual may participate in community service activities until he or she has received aid for a total of 60 months.

SEC. 23. Section 11320.3 of the Welfare and Institutions Code is amended to read:

11320.3. (a) (1) Except as provided in subdivision (b) or if otherwise exempt, every individual, as a condition of eligibility for aid under this chapter, shall participate in welfare-to-work activities under this article.

(2) Individuals eligible under Section 11331.5 shall be required to participate in the Cal-Learn Program under Article 3.5 (commencing with Section 11331) during the time that article is operative, in lieu of the welfare-to-work requirements, and subdivision (b) shall not apply to that individual.

(b) The following individuals shall not be required to participate for so long as the condition continues to exist:

(1) An individual under 16 years of age.

(2) A child attending an elementary, secondary, vocational, or technical school on a full-time basis. A person who is 16 or 17 years of age, or a person described in subdivision (d) who loses this exemption, shall not requalify for the exemption by attending school as a required activity under this article.

(3) An individual who meets either of the following conditions:

(A) The individual is disabled as determined by a doctor's verification that the disability is expected to last at least 30 days and that it significantly impairs the recipient's ability to be regularly employed or participate in welfare-to-work activities, provided that the individual is actively seeking appropriate medical treatment.

(B) The individual is of advanced age.

(4) A nonparent caretaker relative who has primary responsibility for providing care for a child and is either caring for a child who is a dependent or ward of the court or caring for a child in a case in which a county determines the child is at risk of placement in foster care, and the county determines that the caretaking responsibilities are beyond those considered normal day-to-day parenting responsibilities such that they impair the caretaker relative's ability to be regularly employed or to participate in welfare-to-work activities.

(5) An individual whose presence in the home is required because of illness or incapacity of another member of the household and whose caretaking responsibilities impair the recipient's ability to be regularly employed or to participate in welfare-to-work activities.

(6) A parent or other relative who meets the criteria in subparagraph (A) or (B).

(A) (i) The parent or other relative has primary responsibility for personally providing care to a child six months of age or under, except that, on a case-by-case basis, and based on criteria developed by the county, this period may be reduced to the first 12 weeks after the birth or adoption of the child, or increased to the first 12 months after

the birth or adoption of the child. An individual may be exempt only once under this clause.

(ii) An individual who received an exemption pursuant to clause (i) shall be exempt for a period of 12 weeks, upon the birth or adoption of any subsequent children, except that this period may be extended on a case-by-case basis to six months, based on criteria developed by the county.

(iii) In making the determination to extend the period of exception under clause (i) or (ii), the following may be considered:

(I) The availability of child care.

(II) Local labor market conditions.

(III) Other factors determined by the county.

(B) In a family eligible for aid under this chapter due to the unemployment of the principal wage earner, the exemption criteria contained in subparagraph (A) shall be applied to only one parent.

(7) A woman who is pregnant and for whom it has been medically verified that the pregnancy impairs her ability to be regularly employed or participate in welfare-to-work activities or the county has determined that, at that time, participation will not readily lead to employment or that a training activity is not appropriate.

(c) Any individual not required to participate may choose to participate voluntarily under this article, and end that participation at any time without loss of eligibility for aid under this chapter, if his or her status has not changed in a way that would require participation.

(d) (1) Notwithstanding subdivision (a), a custodial parent who is under 20 years of age and who has not earned a high school diploma or its equivalent, and who is not exempt or whose only basis for exemption is subparagraph (A) of paragraph (6) of subdivision (b), shall be required to participate solely for the purpose of earning a high school diploma or its equivalent. During the time that Article 3.5 (commencing with Section 11331) is operative, this subdivision shall only apply to a custodial parent who is 19 years of age.

(2) Section 11325.25 shall apply to a custodial parent who is 18 or 19 years of age and who is required to participate under this article.

(e) Notwithstanding paragraph (1) of subdivision (d), the county may determine that participation in education activities for the purpose of earning a high school diploma or equivalent is inappropriate for an 18 or 19 year old custodial parent only if that parent is reassigned pursuant to an evaluation under Section 11325.25, or, at appraisal is already in an educational or vocational training program that is approvable as a self-initiated program as specified in Section 11325.23. If that determination is made, the parent shall be allowed to continue participation in the self-initiated program subject to Section 11325.23. During the time that Article 3.5 (commencing with Section 11331) is operative, this subdivision shall only apply to a custodial parent who is 19 years of age.



(f) A recipient shall be excused from participation for good cause when the county has determined there is a condition or other circumstance that temporarily prevents or significantly impairs the recipient's ability to be regularly employed or to participate in welfare-to-work activities. The county welfare department shall review the good cause determination for its continuing appropriateness in accordance with the projected length of the condition, or circumstance, but not less than every three months. The recipient shall cooperate with the county welfare department and provide information, including written documentation, as required to complete the review. Conditions that may be considered good cause include, but are not limited to, the following:

- (1) Lack of necessary supportive services.
- (2) In accordance with Article 7.5 (commencing with Section 11495), the applicant or recipient is a victim of domestic violence, but only if participation under this article is detrimental to or unfairly penalizes that individual or his or her family.
- (3) Licensed or license-exempt child care for a child 10 years of age or younger is not reasonably available during the individual's hours of training or employment including commuting time, or arrangements for child care have broken down or have been interrupted, or child care is needed for a child who meets the criteria of subparagraph (C) of paragraph (1) of subdivision (a) of Section 11323.2, but who is not included in the assistance unit. For purposes of this paragraph, "reasonable availability" means child care that is commonly available in the recipient's community to a person who is not receiving aid and that is in conformity with the requirements of Public Law 104-193. The choices of child care shall meet either licensing requirements or the requirements of Section 11324. This good cause criterion shall include the unavailability of suitable special needs child care for children with identified special needs, including, but not limited to, disabilities or chronic illnesses.

SEC. 24. Section 11320.31 of the Welfare and Institutions Code is amended to read:

11320.31. No sanctions shall be applied for a failure or refusal to comply with program requirements for reasons related to employment, an offer of employment, an activity, or other training for employment including, but not limited to, the following reasons:

- (a) The employment, offer of employment, activity, or other training for employment discriminates in terms of age, sex, race, religion, national origin, or physical or mental disability.
- (b) The employment or offer of employment exceeds the daily or weekly hours of work customary to the occupation.
- (c) The employment, offer of employment, activity, or other training for employment requires travel to and from the place of employment, activity, or other training and one's home that exceeds a total of two hours in round-trip time, exclusive of the time necessary

to transport family members to a school or place providing care, or, when walking is the only available means of transportation, the round-trip is more than two miles, exclusive of the mileage necessary to accompany family members to a school or a place providing care. An individual who fails or refuses to comply with the program requirements based on this paragraph shall be required to participate in community service activities pursuant to Section 11322.9.

(d) The employment, offer of employment, activity, or other training for employment involves conditions that are in violation of applicable health and safety standards.

(e) The employment, offer of employment, or work activity does not provide for worker's compensation insurance.

(f) Accepting the employment or work activity would cause an interruption in an approved education or job training program in progress that would otherwise lead to employment and sufficient income to be self-supporting, excluding work experience or community service employment as described in subdivisions (d) and (j) of Section 11322.6 and Section 11322.9 or other community work experience assignments, except that a recipient may be required to engage in welfare-to-work activities to the extent necessary to meet the hours of participation required by Section 11322.8.

(g) Accepting the employment, offer of employment, or work activity would cause the individual to violate the terms of his or her union membership.

SEC. 25. Section 11322.65 of the Welfare and Institutions Code is amended to read:

11322.65. (a) Unless otherwise specified in this chapter, assignment to any activity otherwise authorized under this article shall be limited in any county to the number or percentage of participants specified under Section 407 of the federal Social Security Act (42 U.S.C. Sec. 607) and subsequent amendments thereto, unless the recipient is concurrently participating in any activities that will count for the required number of hours of participation under federal law.

(b) Subdivision (a) shall not apply if the statewide percentage, as determined by the department, is less than the limits described in federal law.

SEC. 26. Section 11322.8 of the Welfare and Institutions Code is amended to read:

11322.8. (a) Unless otherwise exempt, an adult recipient in a one-parent assistance unit shall participate in welfare-to-work activities for 20 hours each week beginning January 1, 1998, 26 hours each week beginning July 1, 1998, and 32 hours each week beginning July 1, 1999, and thereafter. In no event shall the adult recipient participate in welfare-to-work activities less than the required hours of participation under Section 407 of the federal Social Security Act (42 U.S.C. Sec. 607) and any subsequent amendments thereto, for the

entire time period on aid. A county retains the option to require all recipients or individual recipients to participate in welfare-to-work activities in excess of the minimum number of hours specified in this subdivision, up to 32 hours each week.

(b) Unless otherwise exempt, an adult recipient who is an unemployed parent, as defined in Section 11201, shall participate in at least 35 hours of welfare-to-work activities each week that will meet the required hours of participation under Section 407 of the federal Social Security Act (42 U.S.C. Sec. 607) and any subsequent amendments thereto. However, both parents in a two-parent assistance unit may contribute to the 35 hours, if provided in federal law as meeting the federal work participation requirements and if at least one parent meets the federal one-parent work requirement applicable on January 1, 1998. To be eligible for federally funded child care under Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code, both parents shall participate in work activities that will meet the required hours of participation under Section 407 of the federal Social Security Act (42 U.S.C. Sec. 607) and any subsequent amendments thereto.

SEC. 27. Section 11323.2 of the Welfare and Institutions Code is amended to read:

11323.2. (a) Necessary supportive services shall be available to every participant in order to participate in the program activity to which he or she is assigned or to accept employment or the participant shall have good cause for not participating under subdivision (f) of Section 11320.3. As provided in the welfare-to-work plan entered into between the county and participant pursuant to this article, supportive services shall include all of the following:

(1) Child care.

(A) Paid child care shall be available to every participant with a dependent child in the assistance unit who needs paid child care if the child is 10 years of age or under, or requires child care or supervision due to a physical, mental, or developmental disability or other similar condition as verified by the county welfare department, or who is under court supervision.

(B) To the extent funds are available paid child care shall be available to a participant with a dependent child in the assistance unit who needs paid child care if the child is 11 or 12 years of age.

(C) Necessary child care services shall be available to every former recipient for up to two years, pursuant to Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code.

(D) A child in foster care receiving benefits under Title IV-E of the federal Social Security Act (42 U.S.C.A. Sec. 670 et seq.) or a child who would become a dependent child except for the receipt of federal Supplemental Security Income benefits pursuant to Title XVI of the federal Social Security Act (42 U.S.C.A. Sec. 1381 et seq.) shall

be deemed to be a dependent child for the purposes of this paragraph.

(E) The provision of care and payment rates under this paragraph shall be governed by Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code. Parent fees shall be governed by subdivision (f) of Section 8263 of the Education Code.

(2) Transportation costs, which shall be governed by regional market rates as determined in accordance with regulations established by the department.

(3) Ancillary expenses, which shall include the cost of books, tools, clothing specifically required for the job, fees, and other necessary costs.

(4) Personal counseling. A participant who has personal or family problems that would affect the outcome of the welfare-to-work plan entered into pursuant to this article shall, to the extent available, receive necessary counseling or therapy to help him or her and his or her family adjust to his or her job or training assignment.

(b) If provided in a county plan, the county may continue to provide case management and supportive services under this section to former participants who become employed. The county may provide these services for up to the first 12 months of employment to the extent they are not available from other sources and are needed for the individual to retain the employment.

SEC. 28. Section 11323.4 of the Welfare and Institutions Code is amended to read:

11323.4. (a) Payments for supportive services, as described in Section 11323.2, shall be advanced to the participant, wherever necessary, and when desired by the participant, so that the participant need not use his or her funds to pay for these services. Payments for child care services shall be made in accordance with Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code.

(b) The county welfare department shall take all reasonable steps necessary to promptly correct any overpayment or underpayment of supportive services payments to a recipient or a service provider, including, but not limited to, all cases involving fraud and abuse, consistent with procedures developed by the department.

(c) Notwithstanding any other provision of this article, any participant in on-the-job training who becomes ineligible for aid under this chapter due to earned income or hours worked, shall remain a participant in the program under this article for the duration of the on-the-job training assignment and shall be eligible for supportive services for the duration of the on-the-job training, provided this duration does not exceed the time limits otherwise applicable to the recipient.

(d) Notwithstanding any other provision of this article, any participant in on-the-job training, grant-based on-the-job training,

supported work, or transitional employment who remains eligible for aid pursuant to this chapter, shall be eligible for transportation and ancillary expenses pursuant to paragraphs (2) and (3) of subdivision (a) of Section 11323.2.

(e) (1) Participants shall be encouraged to apply for financial aid, including educational grants, scholarships, and awards.

(2) To the extent permitted by federal law, the county shall coordinate with financial aid offices to establish procedures whereby the educational expenses of participants are met through available financial aid and the supportive services described in Section 11323.2. These procedures shall not result in duplication of payments, and shall require determinations to be made on an individual basis to ensure that using financial aid will not prevent the person's participation in his or her welfare-to-work plan.

(f) Notwithstanding Section 10850, for purposes of child care supportive services, county welfare departments shall share information necessary for the administration of the child care programs and the CalWORKs program.

SEC. 29. Section 11324.6 of the Welfare and Institutions Code is amended to read:

11324.6. Any employment or training program position described in subdivisions (a) to (j), inclusive, of Section 11322.6 or Section 11322.9 or under any county pilot project, shall not be created as a result of, or shall not result in, any of the following:

(a) Displacement or partial displacement of current employees, including, but not limited to, a reduction in hours of nonovertime and overtime work, wages, or employment benefits.

(b) The filling of positions which would otherwise be promotional opportunities for current employees, except when positions are to be filled through an open process in which recipients are provided equal opportunity to compete.

(c) The filling of a position, prior to compliance with applicable personnel procedures or provisions of collective bargaining agreements.

(d) The filling of established unfilled public agency positions, unless the positions are unfunded in a public agency budget.

(e) The filling of a position created by termination, layoff, or reduction in work force, caused by the employer's intent to fill the position with a subsidized position pursuant to this article.

(f) A strike, lockout, or other bona fide labor dispute, or violation of any existing collective bargaining agreement between employees and employers.

(g) The filling of a work assignment customarily performed by a worker in a job classification within a recognized collective bargaining unit in that specific worksite, or the filling of a work assignment in any bargaining unit in which funded positions are vacant or in which regular employees are on layoff.

(h) The termination of a contract for services, prior to its expiration date, that results in the displacement or partial displacement of workers performing contracted services, caused by the employer's intent to fill the position with a subsidized position pursuant to this article.

(i) The denial to a participant or employee of protections afforded other workers on the worksite by state and federal laws governing workplace health, safety, and representation.

(j) Subdivisions (b), (d), and (g) shall not apply to unsubsidized employment placements.

SEC. 30. Section 11324.7 of the Welfare and Institutions Code is amended to read:

11324.7. (a) The department shall provide a grievance process for regular employees and their representatives who wish to file a complaint that an assignment to community service, work experience, on-the-job training, or any activity funded by grant-based on-the-job training violates any of the displacement provisions contained in Section 11324.6, as applicable, respecting any employment or training position created pursuant to this article.

(b) (1) The grievance process established pursuant to subdivision (a) shall consist of an informal procedure followed by a hearing if the informal procedure fails to resolve the complaint to the satisfaction of the complainant.

(2) The grievance and any available appeal process shall be conducted in accordance with rules and notification requirements adopted and promulgated in federal law.

(3) The department shall issue instructions and requirements for the grievance process.

(c) The department shall administer the employee grievance process either directly or through the county welfare departments, or may enter into agreements with another state agency to administer all or any part of the grievance process.

(d) Notwithstanding subdivisions (b) and (c), the department shall require the use of any existing grievance procedure that is part of a collective bargaining agreement between the employer and the labor union representing the regular employee, in lieu of the process established by this section.

(e) Remedies for complaining regular employees in the process established by this section shall include, where appropriate, reinstatement, retroactive pay, and retroactive benefits.

SEC. 31. Section 11324.8 of the Welfare and Institutions Code is amended to read:

11324.8. (a) At the time an individual applies for aid under this chapter, or at the time a recipient's eligibility for aid is determined, the county shall do all of the following:

(1) Provide the individual, in writing and orally as necessary, with at least the following program information:



(A) A general description of the education, employment, and training opportunities and the supportive services available, including transitional benefits.

(B) A description of the exemptions from required participation provided under this article and the consequences of a refusal to participate in program components, if not exempt.

(C) A description of the responsibility of the participant to cooperate in establishing paternity and enforcing child support obligations, and to assist individuals in establishing paternity and obtaining child support as a condition of eligibility.

(2) Determine whether the individual is required to participate in the program provided under this article.

(b) At the time an individual is required to participate pursuant to this article, he or she shall receive a written preliminary determination that he or she is a member of a targeted group, for purposes of any applicable and operative federal Targeted Jobs Tax Credit and California Jobs Tax Credit.

(c) Persons not required to participate may volunteer to participate.

(d) An applicant for, or a recipient of, aid who is dissatisfied with the provisions of the welfare-to-work plan may seek redress through the independent assessment process, as described in subdivision (c) of Section 11325.4 or the state hearing or county grievance process, as described in Section 11327.8.

SEC. 32. Section 11325.1 of the Welfare and Institutions Code is amended to read:

11325.1. When child care services are provided by a program funded under Section 8481 of the Education Code to a recipient under this article or any other job training program for recipients under this chapter, and the job training program utilizes vouchers for child care services issued by the county or a contracting agency, reimbursement for those child care services shall be made at a market rate established by the State Department of Education pursuant to Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code.

SEC. 33. Section 11325.21 of the Welfare and Institutions Code is amended to read:

11325.21. (a) Any individual who is required to participate in welfare-to-work activities pursuant to this article shall enter into a written welfare-to-work plan with the county welfare department after assessment as required by subdivision (b) of Section 11320.1, except as provided for in Section 11320.3. The plan shall include the activities and services that will move the individual into employment.

(b) The county shall allow the participant three working days after completion of the plan or subsequent amendments to the plan in which to evaluate and request changes to the terms of the plan.

(c) The plan shall be written in clear and understandable language, and have a simple and easy-to-read format.

(d) The plan shall contain at least all of the following general information:

(1) A general description of the program provided for in this article, including available program components and supportive services.

(2) A general description of the rights, duties, and responsibilities of program participants, including a list of the exemptions from the required participation under this article, the consequences of a refusal to participate in program components, and criteria for successful completion of the program.

(3) A description of the grace period required in paragraph (5) of subdivision (b) of Section 11325.22.

(e) The plan shall specify, and shall be amended to reflect changes in, the participant's welfare-to-work activity, a description of services to be provided in accordance with Sections 11322.6, and 11322.8 as needed, and specific requirements for successful completion of assigned activities including required hours of participation.

The plan shall also include a general description of supportive services pursuant to Section 11323.2 that are to be provided as necessary for the participant to complete assigned program activities.

(f) Any assignment to a program component shall be reflected in the plan or an amendment to the plan. The participant shall maintain satisfactory progress toward employment through the methods set forth in the plan, and the county shall provide the services pursuant to Section 11323.2.

(g) This section shall not apply to individuals subject to Article 3.5 (commencing with Section 11331) during the time that article is operative.

SEC. 34. Section 11325.22 of the Welfare and Institutions Code is amended to read:

11325.22. (a) (1) Following the appraisal required by Section 11325.2, all participants except those described in paragraph (4) of this subdivision, shall be assigned to participate for a period of up to four consecutive weeks in job search activities. These activities may include the use of job clubs to identify the participant's qualifications. The county shall consider the skills and interests of the participants in developing a job search strategy. The period of job search activities may be shortened if the participant and the county agree that further activities would not be beneficial. Job search activities may be shortened for a recipient if the county determines that the recipient will not benefit because he or she may suffer from an emotional or mental disability that will limit or preclude the recipient's participation under this article.





(2) Nothing in this section shall require participation in job search activities, the schedule for which interferes with unsubsidized employment or participation pursuant to Section 11325.23.

(3) Job search activities may be required in excess of the limits specified in paragraph (1) on the basis of a review by the county of the recipient's performance during job search to determine whether extending the job search period would result in unsubsidized employment.

(4) A person subject to Article 3.5 (commencing with Section 11331) or subdivision (d) of Section 11320.3 shall not be required, but may be permitted, to participate in job search activities as his or her first program assignment following appraisal upon earning a high school diploma or its equivalent, if she or he has not already taken the option to complete these activities as the first program assignment following appraisal.

(b) (1) Upon the completion of job search activities, or a determination that those activities are not required in accordance with paragraph (3) of subdivision (a), the participant shall be assigned to one or more of the activities described in Section 11322.6 as needed to attain employment.

(2) (A) The assignment to one or more of the program activities as required in paragraph (1) of this subdivision shall be based on the welfare-to-work plan developed pursuant to an assessment as described in Section 11325.4. The plan shall be based, at a minimum, on consideration of the individual's existing education level, employment experience and relevant employment skills, available program resources, and local labor market opportunities.

(B) An assessment pursuant to Section 11325.4 shall be performed upon completion of job search activities or at such time as it is determined that job search will not be beneficial.

(C) Notwithstanding subparagraphs (A) and (B), an assessment shall not be required to develop a welfare-to-work plan for a person who is participating in an approved self-initiated program pursuant to Section 11325.23 unless the county determines that an assessment is necessary to meet the hours specified in Section 11325.23.

(3) A participant who lacks basic literacy or mathematics skills, a high school diploma or general educational development certificate, or English language skills, shall be assigned to participate in adult basic education as described in subdivision (k) of Section 11322.6, as appropriate and necessary for removal of the individual's barriers to employment.

(4) Participation in activities assigned pursuant to this section may be sequential or concurrent. The county may require concurrent participation in the assigned activities if it is appropriate to the participant's abilities, consistent with the participant's welfare-to-work plan, and the activities can be concurrently scheduled.

(5) The participant has 30 days from the beginning of the initial training or education assignment in which to request a change or reassignment to another component. The county shall grant the participant's request for reassignment if another assignment is available that is consistent with the participant's welfare-to-work plan and the county determines the other assignment will readily lead to employment. This grace period shall be available only once to each participant.

(c) Any assignment or change in assignment to a program activity pursuant to this section shall be included in the welfare-to-work plan, or an amendment to the plan, as required in Section 11325.21.

(d) A participant who has not obtained unsubsidized employment upon completion of the activities in a welfare-to-work plan developed pursuant to the job search activities required by subdivision (a) and an assessment required by subdivision (b) shall be referred to reappraisal as described in Section 11326, unless he or she is required to be assigned to community service pursuant to Section 11322.9.

(e) The criteria for successful completion of an assigned education or training activity shall include regular attendance, satisfactory progress, and completion of the assignment. A person who fails or refuses to comply with program requirements for participation in the activities assigned pursuant to this section shall be subject to Sections 11327.4 and 11327.5.

(f) Except as provided in paragraph (4) of subdivision (a), this section shall not apply to individuals subject to Article 3.5 (commencing with Section 11331) during the time that article is operative.

SEC. 35. Section 11325.23 of the Welfare and Institutions Code is amended to read:

11325.23. (a) (1) Except as provided in paragraph (2), any student who, at the time he or she is required to participate under this article pursuant to Section 11320.3, is enrolled in any undergraduate degree or certificate program that leads to employment may continue in that program within the time period specified in subdivisions (a) and (d) of Section 11454 if he or she is making satisfactory progress in that program, the county determines that continuing in the program is likely to lead to self-supporting employment for that recipient, and the welfare-to-work plan reflects that determination.

(2) Any individual who possesses a baccalaureate degree shall not be eligible to participate under this section unless the individual is pursuing a California regular classroom teaching credential in a college or university with an approved teacher credential preparation program.

(3) (A) Subject to the limitation provided in subdivision (f), a program shall be determined to lead to employment if it is on a list

of programs that the county welfare department and local education agencies or providers agree lead to employment. The list shall be agreed to annually, with the first list completed no later than January 31, 1998. By January 1, 2000, all educational providers shall report data regarding programs on the list for the purposes of the report card established under Section 15037.1 of the Unemployment Insurance Code for the programs to remain on the list.

(B) For students not in a program on the list prepared under subparagraph (A), the county shall determine if the program leads to employment. The recipient shall be allowed to continue in the program within the time period specified in subdivisions (a) and (d) of Section 11454 if the recipient demonstrates to the county that the program will lead to self-supporting employment for that recipient and the documentation is included in the welfare-to-work plan.

(C) If participation in educational or vocational training, as determined by the number of hours required for classroom, laboratory, or internship activities, is not at least 32 hours, the county shall require concurrent participation in work activities pursuant to subdivisions (a) to (j), inclusive, of Section 11322.6 and Section 11325.22.

(b) Participation in the self-initiated education or vocational training program shall be reflected in the welfare-to-work plan required by Section 11325.21. The welfare-to-work plan shall provide that whenever an individual ceases to participate in, refuses to attend regularly, or does not maintain satisfactory progress in the self-initiated program, the individual shall participate under this article in accordance with Section 11325.22.

(c) Any person whose previously approved self-initiated education or training program is interrupted for reasons that meet the good cause criteria specified in subdivision (f) of Section 11320.3 may resume participation in the same program if the participant maintained good standing in the program while participating and the self-initiated program continues to meet the approval criteria. The county shall adjust the completion date of the program, accounting for the time of absence to allow the participant a cumulative timeframe outlined in subdivision (a).

(d) Supportive services reimbursement shall be provided for any participant in a self-initiated training or education program approved under this subdivision. This reimbursement shall be provided if no other source of funding for those costs is available. Any offset to supportive services payments shall be made in accordance with subdivision (e) of Section 11323.4.

(e) Any student who, at the time he or she is required to participate under this article pursuant to Section 11320.3, has been enrolled and is making satisfactory progress in a degree or certificate program, but does not meet the criteria set forth in subdivision (a), shall have until the beginning of the next educational semester or

quarter break to continue his or her educational program if he or she continues to make satisfactory progress. At the time the educational break occurs, the individual is required to participate pursuant to Section 11320.1. The time spent in the educational program shall count towards the time limits and community service requirements established for recipients in Sections 11320.1 and 11454. A recipient not expected to complete the program by the next break may continue his or her education under the timelines in subdivision (a), provided he or she transfers at the end of the current quarter or semester to a program that qualifies under that subdivision, the county determines that participation is likely to lead to self-supporting employment of the recipient, and the welfare-to-work plan reflects that determination.

(f) Any degree, certificate, or vocational program offered by a private postsecondary training provider shall not be approved under this section unless the program is either approved or exempted by the appropriate state regulatory agency and the program is in compliance with all other provisions of law.

SEC. 36. Section 11325.8 of the Welfare and Institutions Code is amended to read:

11325.8. (a) The county plan required by Section 10531 shall include a plan for the provision of substance abuse treatment services. The plan shall describe how the county welfare department and the county alcohol and drug program will collaborate to ensure an effective system is available to provide alcohol and drug services to recipients whose substance abuse creates a barrier to employment. The plan shall be developed in a manner that is consistent with the county's welfare-to-work program. Substance abuse treatment services shall include evaluation, substance abuse treatment, employment counseling, provision of community service jobs, or other appropriate services.

(b) It is the intent of the Legislature that substance abuse treatment services for participants shall be provided by the county alcohol and drug program, or by a nonprofit agency under contract with the county alcohol and drug program. If the county welfare department determines that the county alcohol and drug program is unable to provide the needed services, the county department may contract directly with a nonprofit state-licensed narcotic treatment program, residential facility, or certified nonresidential substance abuse program to obtain substance abuse services for a participant.

(c) (1) A participant who is in a job search component of the county's welfare-to-work program may be directed at any time to an assessment by the job search manager if the county believes that the participant's substance abuse may limit or preclude his or her satisfactory completion of the job search component.

(2) During the assessment, if the case manager believes that substance abuse will impair the ability of the participant to obtain and

retain employment, the case manager shall refer the participant to the county alcohol and drug program for an evaluation and determination of any treatment necessary for the participant's transition from welfare to work. If the county alcohol and drug program is unable to provide the necessary services, the county may refer the participant to a state-licensed or certified nonprofit agency under contract with the county to perform these services.

(3) If a participant is determined to have a substance abuse problem, based on an evaluation by the county alcohol and drug program or a nonprofit state-licensed narcotic treatment program, residential facility, or certified nonresidential substance abuse program, the case manager shall develop the participant's welfare-to-work plan based on the results of that evaluation. In such a case, the participant's welfare-to-work plan may include appropriate treatment requirements, including assignment to a substance abuse program.

(4) A recipient of aid under this chapter shall be offered two opportunities to receive substance abuse treatment under subdivision (q) of Section 11322.6, except that the county may offer the recipient additional treatment opportunities.

(5) When a participant's welfare-to-work plan includes assignment to a treatment program, a case manager may determine that the participant is out of compliance with that plan if, at any time, in consultation with the substance abuse treatment provider, the county determines that the participant has failed or refused to participate in a treatment program without good cause. The assigned treatment program shall be reasonably accessible within the county of residence or a nearby county.

(6) When a case manager determines that a participant in a treatment program as specified in his or her welfare-to-work plan is out of compliance with a program requirement other than participation in a required treatment program, the determination of whether the participant has good cause to be out of compliance shall include consideration of whether the participant's substance abuse problem caused or substantially contributed to the failure to comply with the program requirements. In this determination, the county shall consult the substance abuse treatment provider as appropriate.

(d) No recipient may participate in a substance abuse treatment program for longer than six months without concurrently participating in a work activity, to be determined by the county and the recipient, in consultation with the treatment provider. However, if the recipient is in a state-licensed residential facility or a certified nonresidential substance abuse program that requires him or her to stay at the program site for a minimum of three hours per day, three days per week, or otherwise not to participate in nonprogram activities, the requirements of the treatment program shall fulfill the recipient's work activity requirement.



(e) Any funds appropriated by the Legislature for allocation to each county to eliminate barriers to employment due to participants' substance abuse problems shall be allocated consistent with the formula used to distribute each county's CalWORKs program allocation and shall be used to supplement, and not supplant, substance abuse treatment funds otherwise available to recipients. It is the intent of the Legislature that these funds be used to develop, expand, or develop and expand programs appropriate for CalWORKs program recipients. It is further the intent of the Legislature that, to the extent possible, these funds be used to maximize federal financial participation through Title XIX of the federal Social Security Act (Title 42 U.S.C. Sec. 1396 et seq.).

(f) Each county shall report annually to the state the number of CalWORKs program recipients who receive substance abuse treatment and the extent to which the allocation is sufficient to meet the need for substance abuse services as determined by the county.

SEC. 37. Section 11326 of the Welfare and Institutions Code is amended to read:

11326. (a) The county shall conduct a reappraisal of any participant who does not obtain unsubsidized employment upon completion of all activities included in the welfare-to-work plan developed pursuant to Section 11325.4. The reappraisal shall evaluate whether there are extenuating circumstances as defined by the county that prevent the participant from obtaining employment within the local labor market area.

(b) Upon a determination that extenuating circumstances exist, the participant shall be assigned to additional activities in accordance with subdivision (b) of Section 11325.22 as the county determines to be appropriate and necessary.

(c) Upon a determination that no extenuating circumstances exist, and until this determination is reversed or community service activity pursuant to Section 11322.9 is required, the participant shall be limited to the activities in subdivisions (a), (d), (i), (l), and (q) of Section 11322.6. Participation in those activities shall be subject to the requirements of Section 11322.8.

SEC. 38. Section 11327.8 of the Welfare and Institutions Code is amended to read:

11327.8. (a) Except as specified in this section, whenever a participant believes that any program requirement or assignment in this program is in violation of his or her welfare-to-work plan or is inconsistent with this article, the participant may request a state hearing pursuant to Chapter 7 (commencing with Section 10950) of Part 2 or utilize a formal grievance procedure to be established by the county board of supervisors and specified in each county plan.

(b) If the participant is not satisfied with the outcome of the grievance procedure, he or she may appeal the decision in accordance with the procedures set forth in Chapter 7 (commencing

with Section 10950) of Part 2. Participants shall be subject to sanctions pending the outcome of the formal grievance procedure or any subsequent appeal, only if they fail to participate during the period the grievance procedure is being processed. However, a participant shall not utilize the grievance procedure to appeal the results of an assessment made pursuant to Section 11325.4.

(c) If a participant is not satisfied with the decision of a hearing conducted pursuant to Section 10950 concerning on-the-job working conditions or workers' compensation coverage, the participant may file a further appeal with the appropriate state regulating agency.

SEC. 39. Section 11328.8 of the Welfare and Institutions Code is amended to read:

11328.8. (a) The department, under the direction of the Health and Welfare Agency, the Chancellor's office of the California Community Colleges, and the State Department of Education shall each develop and implement regulations whereby any payment for education and training services from funds appropriated for the purposes of this article and delivered pursuant to Section 11322.6 by an entity contracting with a county shall be made in accordance with a competitively selected fixed unit price performance-based contract. Under these contracts, full payment shall not be considered earned until either of the following has occurred:

(1) The participant has successfully completed the education program.

(2) The participant has successfully completed the job training program and has been retained in unsubsidized employment for at least 180 days.

(b) Up to 70 percent of the fixed unit price for job training may be paid upon placement. At least 30 percent of the fixed unit price for job training shall be withheld for the followup during the 180-day retention period. Progress payments shall be made from this portion upon evidence of job retention at 30, 90, and 180 days. A pro rata share of the 70 percent payment shall be paid to the training provider if the participant fails to complete the training.

(c) The department may exempt county contracts for CalWORKs educational services from subdivisions (a) and (b) in instances where counties are unable to obtain educational services due to the absence of an available adult education program or the small number of CalWORKs referrals. The department, in conjunction with the State Department of Education, shall develop criteria for granting the exemptions from subdivisions (a) and (b). The departments shall also consider using funds set aside for CalWORKs educational services in the State Department of Education's annual budget allocation or funds allocated to the State Department of Education for CalWORKs costs in the annual Budget Act, to pay for the costs of education contracts permitted by this subdivision.



SEC. 40. Section 11331 of the Welfare and Institutions Code is amended to read:

11331. (a) The Legislature finds and declares that the connection between teenage parenting and long-term welfare dependency has been well documented by recent social science research. An estimated 60 percent of teenage parents who are currently receiving welfare will have 10 or more years of dependency on aid. Average time on aid for teenage parents is significantly longer than for parents who begin families at an older age.

(b) The Legislature finds that teenage parents who receive assistance under the CalWORKs program have unique education, vocational, training, health, and other social service needs that are not specifically provided for as part of the welfare-to-work activities. Research shows that successful programs that help teenage parents achieve self-sufficiency contain the following features:

- (1) A comprehensive range of health and social services.
- (2) Adequate supportive services.
- (3) A sympathetic and supportive program atmosphere.
- (4) Individual attention, especially regarding education pace and plan.
- (5) An open format and an extended period of program availability.
- (6) Caring, nonjudgmental staff.
- (7) Strong case management systems, including followup activities to determine whether a student is progressing in his or her studies.

(c) The Legislature declares that this article is intended to ensure that the GAIN program does all of the following:

- (1) Provide the education and training services needed by teenage parents to help them earn a high school diploma or its equivalent, including vocational training and preparation that may be available through local education agencies.
- (2) Link teenagers to other needed health and social services available in the community.

SEC. 41. Section 11331.5 of the Welfare and Institutions Code is amended to read:

11331.5. (a) Recipients of aid under this chapter who are under 19 years of age, who are pregnant or custodial parents, shall be required to participate in the program, subject to both of the following requirements:

- (1) The teenage parent shall participate in the program until earning his or her high school diploma or its equivalent.
- (2) The teenage parent shall participate in the program as a student attending school on a full-time basis, as normally defined by the school in which the participant enrolls.

(b) A teen, as defined in paragraph (2) of subdivision (e) may continue to participate in the program provided for under this



article. Any teen participating under this article pursuant to this subdivision shall be eligible for the same benefits as is any individual required to participate in the program.

(c) Notwithstanding subdivision (a), the county shall exempt a teenage parent from the program as verified by the county when any of the following conditions occur:

(1) The teenage parent is expelled from school and obtains verification that no other school in the district will permit him or her to attend, and the case manager cannot arrange for enrollment in an alternative school.

(2) The teenage parent cannot receive payment for child care or transportation expenses due to lack of program funding.

(3) Child care is necessary and unavailable.

(4) Public or private transportation is necessary and unavailable.

(5) A foster care payment is made under this chapter on behalf of the teenage parent.

(6) The teen parent has an illness, injury, or incapacity, as determined by a doctor's verification, that substantially deprives the teen parent of the ability to meet program requirements or to be successful in earning a high school diploma or its equivalent, and an alternative education program cannot be arranged.

(d) For the purposes of this article, "teen" or "teenage parent" means either of the following:

(1) A custodial parent or pregnant woman under 19 years of age, who is required to participate pursuant to subdivision (a).

(2) A custodial parent or pregnant woman 19 years of age who, prior to becoming 19 years of age, was participating in the program pursuant to subdivision (a), and who is otherwise eligible for voluntary continued participation in the program.

SEC. 42. Section 11331.7 of the Welfare and Institutions Code is amended to read:

11331.7. Counties shall arrange for the provision of education and supportive services that teenage parents need to successfully participate in the Cal-Learn Program. The county shall identify the need of each individual for, and the method of providing, the following services:

(a) Supportive services, including child care and transportation, as specified in Section 11323.2. Supportive services shall be limited to those that are necessary to enable the teenage parent to attend school regularly.

(b) Intensive case management services, as described in Section 11332.5.

(c) Any other services necessary for the teen parent to successfully participate in the Cal-Learn Program, that may include, but not be limited to, mental health services and substance abuse treatment.

SEC. 43. Section 11333.5 of the Welfare and Institutions Code is amended to read:

11333.5. (a) Counties shall develop linkages with local service providers that serve teenage parents.

(b) The county plan shall specifically describe those required services that are available to teenage parents, as follows:

(1) An identification of available services to teenagers.

(2) The extent to which these programs are currently serving AFDC recipients.

(3) The resources that these programs may make available to GAIN participants.

(4) The linkages established with these programs.

(c) The department shall review each county's plan to determine both of the following:

(1) Whether the intensity of case management services provided by the county meets the requirements of subdivision (b) of Section 11331.7.

(2) Whether the availability of services to teenagers is adequate.

SEC. 44. Section 11333.7 of the Welfare and Institutions Code is amended to read:

11333.7. (a) Any participant required to participate pursuant to Section 11331.5 who maintains satisfactory progress in school shall, not more than four times in a calendar year, receive a one hundred dollar (\$100) supplement to the amount of aid paid pursuant to Section 11450. The supplement shall be paid to the assistance unit of which the teenage parent is a member in the month following submission of the report card, if received by the county no later than the eleventh calendar day of the month, or in the second month following submission of the report card, if received by the county after the eleventh calendar day of the month.

(b) (1) Any participant required to participate pursuant to Section 11331.5 who fails to demonstrate that he or she has made adequate progress in school, either by failing to provide the report card or based on the grades on the report card, shall, not more than four times in a calendar year, be subject to a sanction that shall be a reduction of one hundred dollars (\$100) of the amount that would otherwise be paid under Section 11450 apportioned equally over a two-month period.

(2) (A) Participants, including, but not limited to, those subject to sanctions, may seek to demonstrate good cause for lack of adequate progress. If there is good cause for lack of adequate progress the county shall either defer the participant from program participation, or waive all or part of the sanction, or both. Participants shall not otherwise be subject to conciliation under Section 11327.4 and sanctions under Section 11327.5, and shall be referred to case management services to determine the causes of poor school performance and how it can be improved.



(B) For the purposes of this section, failing to make adequate progress in school shall constitute good cause only when there is a condition or other circumstances that substantially deprive the participant of the ability to make adequate progress on the report card or periodic progress report.

(c) Any participant required to participate pursuant to Section 11333.5 who successfully completes high school or a California high school equivalency examination shall receive a five hundred dollar (\$500) supplement. No assistance unit shall receive a one hundred dollar (\$100) supplement when a five hundred dollar (\$500) supplement for the same report card or progress report is paid. The five hundred dollar (\$500) supplement shall be paid to the teenage parent in the month following submission of the record of completion, if received by the county no later than the 11th calendar day of the month, or in the second month following submission of the record of completion, if received by the county after the 11th calendar day of the month.

(d) The sanction specified in subdivision (b) shall be applied only once per report card, not to exceed fifty dollars (\$50) in any single month, and shall be applied to the amount of aid paid to the assistance unit of which the teenage parent is a member pursuant to Section 11450. The participant shall submit a copy of the report card to the case manager within 10 working days of receipt of the report card.

(e) (1) For purposes of this section, in schools that provide periodic report cards with letter grades, satisfactory progress means maintaining a grade point average of at least 2.0 on a scale where A equals 4.0 points and F equals 0 points, and adequate progress means maintaining a grade point average of at least 1.0 on the same scale.

(2) For the purposes of this section, in schools or other educational programs that do not provide letter grades indicating student performance, satisfactory progress or inadequate progress shall be determined by the school's regular assessment of periodic progress.

(f) In cases where a participant is subject to a sanction pursuant to subdivision (b), case managers shall do all of the following:

(1) Fully inform teenage parents of the consequences of continuing to fail to comply with the program.

(2) Make reasonable efforts to reach teenage parents who they believe are in danger of continuing to fail to make satisfactory or adequate progress or not to attend school.

(3) Make reasonable efforts to secure a face-to-face meeting with a teenage parent before initiating a sanction.

(g) If a teenage parent fails or refuses to comply with program requirements without good cause, the case manager shall again inform the client of the consequences of not participating in the program, and shall provide the teenage parent with the telephone number and address of the local welfare rights organization or legal aid society, should he or she need further assistance.

SEC. 45. Section 11334 of the Welfare and Institutions Code is repealed.

SEC. 46. Section 11334.2 of the Welfare and Institutions Code is amended to read:

11334.2. Sanctions and bonuses pursuant to Section 11333.7 shall be applied in the first quarter following participant notification of program requirements.

SEC. 47. Section 11334.7 of the Welfare and Institutions Code is amended to read:

11334.7. The director may provide funds to support this article in an item separate from other welfare-to-work activities, and these funds shall not be subject to Section 11322.4.

SEC. 48. Section 11450.16 is added to the Welfare and Institutions Code, to read:

11450.16. (a) For purposes of determining eligibility under this chapter, and for computing the amount of aid payment under Section 11450, families shall be grouped into assistance units.

(b) Every assistance unit shall include at least one of the following persons:

(1) One of each of the following:

(A) An eligible child.

(B) The caretaker relative of an otherwise eligible child who is not receiving aid under Section 11250 because that child is receiving benefits under Title XVI of the Social Security Act (Subchapter 16 (commencing with Section 1381), of Chapter 7 of Title 42 of the United States Code) or foster care payments under Section 11461.

(2) A pregnant woman who is eligible for payments under subdivision (c) of Section 11450.

(c) Every assistance unit shall, in addition to the requirements of subdivision (b), include the eligible parents of the eligible child and the eligible siblings, including half-siblings, of the eligible child when those persons reside in the same home as the eligible child. This subdivision shall not apply to any convicted offender who is permitted to reside at the home of the eligible child as part of a court-imposed sentence and who is considered an absent parent under Section 11250.

(d) An assistance unit may, at the option of the family comprising the assistance unit, also include the nonparent caretaker relative of the eligible child, the spouse of the parent of the eligible child, otherwise eligible nonsibling children in the care of the caretaker relative of the eligible child, and the alternatively sentenced offender parent exempted under subdivision (c).

(e) If two or more assistance units reside in the same home, they shall be combined into one assistance unit when any of the following circumstances occur:

(1) There is a common caretaker relative for the eligible children.

(2) One caretaker relative marries another caretaker relative.



(3) Two caretaker relatives are the parents of an eligible child.

(f) For purposes of this section, “caretaker relative” means the parent or other relative, as defined by regulations adopted by the department, who exercises responsibility and control of a child.

SEC. 49. Section 11454 of the Welfare and Institutions Code is amended to read:

11454. (a) (1) Except as otherwise provided in this chapter and in paragraph (2), a parent or caretaker relative shall not be eligible to receive aid for a cumulative period of more than 18 months after the individual signs, or refuses, without good cause, to sign a welfare-to-work plan, unless it is certified by the county that there is no job currently available for the recipient and the recipient participates in community service activities, pursuant to Section 11322.9.

(2) A parent or caretaker relative recipient who is subject to the requirements of paragraph (2) of subdivision (c) of Section 10532 shall not be eligible to receive aid under this chapter for a cumulative period of more than 24 months, unless it is certified by the county that there is no job currently available for the recipient and the recipient participates in community service activities pursuant to Section 11322.9.

(3) For purposes of this subdivision, a job shall not be considered to be currently available if a recipient has taken and continues to take all steps to apply for appropriate positions and has not refused an offer of employment without good cause.

(4) A parent or caretaker relative recipient to whom paragraph (1) or (2) applies, who is in a job for less than the number of hours required by Section 11322.8, and for whom no job is currently available for the required number of hours, shall remain eligible for aid under this chapter and shall participate in community service activities for the additional number of hours necessary to meet the requirements of Section 11322.8.

(b) A parent or caretaker relative shall not be eligible for aid under this chapter when he or she has received aid under this chapter or from any state under the Temporary Assistance for Needy Families program (Part A (commencing with Section 401) of Title IV of the federal Social Security Act (42 U.S.C. Sec. 601 et seq.) for a cumulative total of 60 months.

(c) No month in which aid has been received prior to January 1, 1998, shall be taken into consideration in computing the 18-month, 24-month, or 60-month limitation provided for in subdivision (a) or (b).

(d) Each county shall adopt criteria for extending the 18-month limitation prescribed by subdivision (a) for up to six months if the extension is likely to result in unsubsidized employment or if local unemployment rates or other conditions in the local economy are such that employment is not available.

(e) Subdivision (b) shall not be applicable when all parent or caretaker relatives of the aided child who are living in the home of the child meet any of the following requirements:

- (1) They are 60 years of age or older.
- (2) They meet one of the conditions specified in paragraph (4) or (5) of subdivision (b) of Section 11320.3.
- (3) They are not included in the assistance unit.
- (4) They are receiving benefits under Section 12200 or Section 12300, State Disability Insurance benefits or Workers' Compensation Temporary Disability Insurance, if the disability significantly impairs the recipient's ability to be regularly employed or participate in welfare-to-work activities.
- (5) They are incapable of maintaining employment or participating in welfare-to-work activities, as determined by the county, based on the assessment of the individual and the individual has a history of participation and full cooperation in welfare-to-work activities.

SEC. 50. Section 11454.5 of the Welfare and Institutions Code is amended to read:

11454.5. (a) Any month in which a recipient is not required to participate in welfare-to-work activities pursuant to subdivision (b) of Section 11320.3 because of a condition that is expected to last at least 30 days or is eligible for, participating in, or exempt from, the Cal-Learn program provided for pursuant to Article 3.5 (commencing with Section 11331) or is participating in another teen parent program approved by the department shall not be counted as a month of receipt of aid for the purpose of subdivision (a) of Section 11454.

(b) Any month in which the following conditions exist shall not be counted as a month of receipt of aid for the purposes of subdivision (b) of Section 11454:

- (1) The recipient is exempt from participation under Article 3.2 (commencing with Section 11320) due to disability, or advanced age in accordance with paragraph (3) of subdivision (b) of Section 11320.3, or due to caretaking responsibilities that impair the recipient's ability to be regularly employed, in accordance with paragraph (4) or (5) of subdivision (b) of Section 11320.3.
- (2) The recipient is eligible for, participating in, or exempt from, the Cal-Learn Program provided for pursuant to Article 3.5 (commencing with Section 11331) or is participating in another teen parent program approved by the department.
- (3) The cost of the cash aid provided to the recipient for the month is fully reimbursed by child support, whether collected in that month or any subsequent month.
- (4) The family is a former recipient of cash aid under this chapter and currently receives only child care, case management, or supportive services pursuant to Section 11323.2 or Article 15.5



(commencing with Section 8350) of Chapter 2 of Part 6 of the Education Code.

(5) To the extent provided by federal law, the recipient lived in Indian country, as defined by federal law, or an Alaskan native village in which at least 50 percent of the adults living in the Indian country or in the village are not employed.

(c) In cases where a lump-sum diversion payment is provided in lieu of cash aid under Section 11266.5, the month in which the payment is made or the months calculated pursuant to subdivision (f) of Section 11266.5 shall count against the limits specified in Section 11454.

SEC. 51. Section 11454.6 of the Welfare and Institutions Code is amended to read:

11454.6. (a) Notwithstanding Section 15200, to the extent that the exemptions from the time limits on aid specified in paragraphs (1), (2), (4), and (5) of subdivision (e) of Section 11454 and subdivision (b) of Section 11454.5 exceed 20 percent of the number of families aided in a county, for a period as determined by the United States Department of Health and Human Services, for purposes of measuring the hardship exemption for time limits, the county shall be responsible for the amount of aid that would otherwise have been paid through federal Temporary Assistance for Needy Families block grant funds pursuant to Section 11450, with respect to those persons exempt under either paragraphs (1), (2), (4), and (5) of subdivision (e) of Section 11454 or subdivision (b) of Section 11454.5 that exceed the 20 percent hardship exemption during the period determined by the United States Department of Health and Human Services and provided for in federal law.

(b) Subdivision (a) shall not apply if the statewide percentage of families aided during that period is 20 percent or less.

(c) The department may determine that a county has good cause for exceeding the 20-percent limitation provided for in subdivision (a). Under this determination, the county share may be reduced or waived by the department.

(d) It is the intent of the Legislature that the steering committee as specified in Section 10544.317 review this provision to ensure that:

(1) The state does not exceed the limit on hardship exemptions as provided in federal law.

(2) Counties are not penalized for circumstances beyond their control and that statewide flexibility for allocation of the percentages is assured.

(3) Recipients will have access to the hardship exemption, regardless of their county of origin.

SEC. 52. Section 11477 of the Welfare and Institutions Code is amended to read:

11477. As a condition of eligibility for aid paid under this chapter, each applicant or recipient shall do all of the following:

(a) (1) Assign to the county any rights to support from any other person the applicant or recipient may have in his or her own behalf or in behalf of any other family member for whom the applicant or recipient is applying for or receiving aid, not exceeding the total amount of cash assistance provided to the family under this chapter. Receipt of public assistance under this chapter shall operate as an assignment by operation of law. An assignment of support rights to the county shall also constitute an assignment to the state. If support rights are assigned pursuant to this subdivision, the assignee may become an assignee of record by the district attorney or other public official filing with the court clerk an affidavit showing that an assignment has been made or that there has been an assignment by operation of law. This procedure does not limit any other means by which the assignee may become an assignee of record.

(2) Support that has been assigned pursuant to paragraph (1) and that accrues while the family is receiving aid under this chapter shall be permanently assigned until the entire amount of aid paid has been reimbursed.

(3) If the federal government does not permit states to adopt the same order of distribution for preassistance and postassistance child support arrears that are assigned on or after October 1, 1998, support arrears that accrue before the family receives aid under this chapter that are assigned pursuant to this subdivision shall be assigned as follows:

(A) Child support assigned prior to January 1, 1998, shall be permanently assigned until aid is no longer received and the entire amount of aid has been reimbursed.

(B) Child support assigned on or after January 1, 1998, but prior to October 1, 2000, shall be temporarily assigned until aid under this chapter is no longer received and the entire amount of aid paid has been reimbursed or until October 1, 2000, whichever comes first.

(C) On or after October 1, 2000, support assigned pursuant to this subdivision that was not otherwise permanently assigned shall be temporarily assigned to the county until aid is no longer received.

(D) On or after October 1, 2000, support that was temporarily assigned pursuant to this subdivision shall, when a payment is received from the federal tax intercept program, be temporarily assigned until the entire amount of aid paid has been reimbursed.

(4) If the federal government permits states to adopt the same order of distribution for preassistance and postassistance child support arrears, child support arrears shall be assigned, as follows:

(A) Child support assigned pursuant to this subdivision prior to October 1, 1998, shall be assigned until aid under this chapter is no longer received and the entire amount has been reimbursed.

(B) On or after October 1, 1998, child support assigned pursuant to this subdivision that accrued before the family receives aid under this chapter and that was not otherwise permanently assigned, shall



be temporarily assigned until aid under this chapter is no longer received.

(C) On or after October 1, 1998, support that was temporarily assigned pursuant to this subdivision shall, when a payment is received from the federal tax intercept program, be temporarily assigned until the entire amount of aid paid has been reimbursed.

(b) (1) Cooperate with the county welfare department and district attorney in establishing the paternity of a child of the applicant or recipient born out of wedlock with respect to whom aid is claimed, and in establishing, modifying, or enforcing a support order with respect to a child of the individual for whom aid is requested or obtained, unless the applicant or recipient qualifies for a good cause exception as provided in Section 11477.04. The granting of aid shall not be delayed or denied if the applicant is otherwise eligible, if the applicant completes the necessary forms and agrees to cooperate with the district attorney in securing support and determining paternity, where applicable. The district attorney shall have staff available, in person or by telephone, at all county welfare offices and shall conduct an interview with each applicant to obtain information necessary to establish paternity and establish, modify, or enforce a support order at the time of the initial interview with the welfare office. The district attorney shall make the determination of cooperation. If the applicant or recipient attests under penalty of perjury that he or she cannot provide the information required by this subdivision, the district attorney shall make a finding regarding whether the individual could reasonably be expected to provide the information, before the district attorney determines whether the individual is cooperating. In making the finding, the district attorney shall consider all of the following:

(A) The age of the child for whom support is sought.

(B) The circumstances surrounding the conception of the child.

(C) The age or mental capacity of the parent or caretaker of the child for whom aid is being sought.

(D) The time that has elapsed since the parent or caretaker last had contact with the alleged father or obligor.

(2) Cooperation includes the following:

(A) Providing the name of the alleged parent or obligor and other information about that person if known to the applicant or recipient, such as address, social security number, telephone number, place of employment or school, and the names and addresses of relatives or associates.

(B) Appearing at interviews, hearings, and legal proceedings provided the applicant or recipient is provided with reasonable advance notice of the interview, hearing, or legal proceeding and does not have good cause not to appear.

(C) If paternity is at issue, submitting to genetic tests, including genetic testing of the child, if necessary.

(D) Providing any additional information known to or reasonably obtainable by the applicant or recipient necessary to establish paternity or to establish, modify, or enforce a child support order.

(3) A recipient or applicant shall not be required to sign a voluntary declaration of paternity, as set forth in Chapter 3 (commencing with Section 7570) of Part 2 of Division 12 of the Family Code, as a condition of cooperation.

SEC. 52.5. Section 11495.15 of the Welfare and Institutions Code is amended to read:

11495.15. A county may waive a program requirement for a recipient who has been identified as a past or present victim of abuse when it has been determined that good cause exists pursuant to paragraph (2) of subdivision (f) of Section 11320.3. Until implementation of the regulations required pursuant to subdivision (b) of Section 11495.1, a county may utilize standards, procedures, and protocols currently available, and shall identify them in its county plan. Waivers shall be reevaluated in accordance with other routine periodic reevaluations by the county.

SEC. 53. Section 14132.90 of the Welfare and Institutions Code, as amended by Section 26 of Assembly Bill 2779 of the 1997–98 Regular Session, is amended to read:

14132.90. (a) As of September 15, 1995, day care habilitative services, pursuant to subdivision (c) of Section 14021 shall be provided only to alcohol and drug exposed pregnant women and women in the postpartum period, or as required by federal law.

(b) (1) Notwithstanding any other provision of law, except to the extent required by federal law, if, as of May 15, 1999, the projected costs for the 1998–99 fiscal year for outpatient drug abuse services, as described in Section 14021, exceed forty-five million dollars (\$45,000,000) in state General Fund moneys, then the outpatient drug free services, as defined in Section 51341.1 of Title 22 of the California Code of Regulations, shall not be a benefit under this chapter as of July 1, 1999.

(2) Notwithstanding paragraph (1), narcotic replacement therapy and Naltrexone shall remain benefits under this chapter.

(3) Notwithstanding paragraph (1), residential care, outpatient drug free services, and day care habilitative services, for alcohol and drug exposed pregnant women and women in the postpartum period shall remain benefits under this chapter.

(c) Expenditures for services purchased at the direction of county welfare departments on behalf of CalWORKs recipients shall not be included in the computation of costs for subdivision (b).

SEC. 54. Section 15200 of the Welfare and Institutions Code, as amended by Section 33 of Chapter 606 of the Statutes of 1997, is amended to read:

15200. There is hereby appropriated out of any money in the State Treasury not otherwise appropriated the following sums:

(a) To each county for the support and maintenance of needy children, 97.5 percent of the sums specified in subdivision (a), and paragraphs (1) and (2) of subdivision (e) of Section 11450.

(b) To each county for the support and maintenance of pregnant mothers, 97.5 percent of the sums specified in subdivisions (b) and (c) of Section 11450.

(c) To each county for the support and maintenance of needy children, 40 percent of the sum necessary for the adequate care of each child pursuant to subdivision (d) of Section 11450, after deducting federal funds available.

(d) Notwithstanding subdivision (c), the amount of funds appropriated from the General Fund in the annual Budget Act that equates to the amount claimed under the Emergency Assistance Program that has been included in the state's Temporary Assistance for Needy Families block grant for foster care maintenance payments shall be considered federal funds for the purposes of calculating the county share of cost, provided the expenditure of these funds contributes to the state meeting its federal maintenance of effort requirements.

(e) To each county for the support and care of hard-to-place adoptive children, and after deducting federal funds available, 75 percent of the nonfederal share of the amount specified in Section 16121.

(f) This section shall remain in effect only until July 1, 1995, or until two years after the implementation of the Child Welfare Services Case Management System as specified in Section 16501.5, whichever occurs last, and as of that date is repealed, unless a later enacted statute which is chaptered before July 1, 1990, or two years after the implementation of the Child Welfare Services Case Management System, deletes or extends that date.

SEC. 55. Section 15200 of the Welfare and Institutions Code, as amended by Section 34 of Chapter 606 of the Statutes of 1997, is amended to read:

15200. There is hereby appropriated out of any money in the State Treasury not otherwise appropriated the following sums:

(a) To each county for the support and maintenance of needy children, 97.5 percent of the sums specified in subdivision (a), and paragraphs (1) and (2) of subdivision (e), of Section 11450.

(b) To each county for the support and maintenance of pregnant mothers, 97.5 percent of the sum specified in subdivisions (b) and (c) of Section 11450.

(c) For the adequate care of each child pursuant to subdivision (d) of Section 11450, and after deducting federal funds available, as follows:

(1) For any county which meets the performance standards or outcome measures in Section 11215, an amount equal to 40 percent of the sum necessary for the adequate care of each child.

(2) For any county which does not meet the performance standards or outcome measures in Section 11215, an amount which shall not be less than 67.5 percent of one hundred twenty dollars (\$120), and multiplied by the number of children receiving foster care in the county, added to an additional twelve dollars and fifty cents (\$12.50) a month per eligible child.

(3) The department shall determine the percentage of state reimbursement for those counties which fail to meet the requirements of subparagraph (1) according to the regulations required by subdivision (b) of Section 11215.

(d) Notwithstanding subdivision (c), the amount of funds appropriated from the General Fund in the annual Budget Act that equates to the amount claimed under the Emergency Assistance Program that has been included in the state's Temporary Assistance for Needy Families block grant for foster care maintenance payments shall be considered federal funds for the purposes of calculating the county share of cost, provided the expenditure of these funds contributes to the state meeting its federal maintenance of effort requirements.

(e) To each county for the support and care of hard-to-place adoptive children, and after deducting federal funds available, 75 percent of the nonfederal share of the amount specified in Section 16121.

(f) The State Department of Social Services shall not implement any change in the current funding ratios to counties as a reimbursement for out-of-home care placement until the development of a new performance standard system. The State Department of Social Services shall notify the Department of Finance when the new performance standard system is developed and ready for implementation. The Department of Finance, pursuant to the provisions of Section 28 of the Budget Act, shall notify the Joint Legislative Budget Committee in writing of its intent to implement a new performance standard that would impact the counties' funding allocation. The notification shall include the text of the draft regulations to implement the performance standards. Any adjustment in the county funding allocation shall not be implemented sooner than 60 days after receipt and review of the new performance standard by the Joint Legislative Budget Committee and a review of the proposed changes by the Legislative Analyst.

(g) This section shall become operative on July 1, 1995, unless the Child Welfare Services Case Management System is not implemented statewide July 1, 1993, as specified in Section 16501.5. If the Child Welfare Services Case Management System is implemented later than July 1, 1993, this section shall become operative two years after the implementation of the Child Welfare Services Case Management System.

SEC. 56. Section 15204.9 is added to the Welfare and Institutions Code, to read:

15204.9. The state shall pay 70 percent of the nonfederal administrative costs of administering the Aid to Families with Dependent Children Foster Care program under Article 5 (commencing with Section 11400) of Chapter 2.

SEC. 57. Section 18242 of the Welfare and Institutions Code is amended to read:

18242. (a) Upon application by a county board of supervisors, the department may approve demonstration projects in up to three counties to test models of child support assurance. One of the projects shall conform to the design contained in Section 18246. The other two projects shall either test different models of child support assurance or may test the same model if the two counties in which that model is tested involve counties with different demographics.

(b) It is the intent of the Legislature that the purpose of the demonstration projects authorized by this article is to test child support assurance models as alternatives to welfare under which families with earnings and a child support order receive a guaranteed child support payment, in lieu of a grant under the CalWORKs program, from funds continuously appropriated for the CalWORKs program.

(c) A county may determine the maximum number of participants in that county, but not more than five percent of the county CalWORKs caseload or 8,000 persons, whichever is greater.

SEC. 58. Section 18244 of the Welfare and Institutions Code is amended to read:

18244. (a) A family shall be eligible to participate in the project described in Section 18246 only if, at the time of application to participate in the child assurance program, the family is receiving, or has been determined to be eligible to receive, an aid grant under Chapter 2 (commencing with Section 11200) of Part 3.

(b) A family's participation under this article shall not affect its eligibility to receive Medi-Cal and child care benefits under Chapter 2 (commencing with Section 11200) of Part 3, if otherwise eligible.

SEC. 59. Section 18245 of the Welfare and Institutions Code is amended to read:

18245. (a) A family shall be eligible to receive a child support assurance payment on behalf of a child only if the child's custodial parent has done all of the following:

- (1) Assigned the child's right to collect child support to the state.
- (2) Established paternity, obtained a child support order, and is using the services available under the state plan approved under Part D (commencing with Section 651) of Chapter 7 of Title 42 of the United States Code.

(3) Opted to participate in the child assurance program in lieu of cash assistance under Chapter 2 (commencing with Section 11200) or its successor program.

(b) (1) Except as provided in paragraph (2), as a condition of receiving a child support assurance payment under this article, a custodial parent shall also be required to do both of the following:

(A) Continue to provide all other relevant information that the applicant has that may be requested by the county.

(B) Appear at required interviews, conference hearings, or legal proceedings, if notified in advance and an illness or emergency does not prevent attendance.

(2) A custodial parent shall not be required to comply with paragraph (1) when compliance would make it more difficult for a domestic violence victim to escape physical abuse or when cooperation would increase the risk of further violence or unfairly penalize the victim.

(c) In order to be eligible under this article, a child shall meet all of the following conditions:

(1) The child resides in the county.

(2) The child has a noncustodial parent living in the United States, or if not living in the United States, is subject to service of process by a state or territory of the United States.

(3) The child is under 18 years of age or, if enrolled in high school, under 19 years of age.

(4) The custodial parent is employed.

SEC. 60. Section 18246 of the Welfare and Institutions Code is amended to read:

18246. (a) A child or children shall be eligible to continue to receive a child support assurance payment under this section only if the family's income is not more than 150 percent of the federal poverty level. For family income below the federal poverty level, the earned income disregard shall be 90 percent. For income between 100 percent and 150 percent of the federal poverty level, the earned income disregard shall be incrementally decreased until the assistance benefit reaches zero at 150 percent of the federal poverty level.

(b) In any month, the child shall receive the greater of the child support paid by the noncustodial parent or the assured amount as defined in subdivision (d), less the earned income disregard specified in subdivision (a). In any month in which the noncustodial parent pays an amount of support less than the assured amount, the county shall retain the payment as reimbursement for the assured amount.

(c) For purposes of this article, the child support assurance payable to the custodial parent of one or more eligible children shall be the amount by which the support assurance payment exceeds the dollar value of the child support, if any, received on behalf of the

family during the month from the noncustodial parent for the support of any eligible child or children.

(d) The monthly child support assurance payment shall be the sum of all of the following:

- (1) Two hundred fifty dollars (\$250) for the first eligible child.
- (2) One hundred twenty-five dollars (\$125) for the second eligible child, if any.
- (3) Sixty-five dollars (\$65) for each subsequent eligible child, if any.

SEC. 61. Section 18904 of the Welfare and Institutions Code is amended to read:

18904. Regulations, orders or standards of general application to implement, interpret or make specific the law relating to this chapter shall be adopted, amended, or repealed only in accordance with Section 10554. The director shall also provide for the two methods as described in Section 18904.1.

SEC. 62. Section 18904.1 of the Welfare and Institutions Code is amended to read:

18904.1. (a) The director, to the extent permitted by federal law, shall establish methods for food stamp issuance in all counties which guarantee to low-income households the health-vital nutritional benefits available under this chapter and to achieve the most efficient system for program administration so as to minimize administrative costs.

(b) The director shall maintain methods for over-the-counter and mail issuance of food stamps in a county until issuance of food stamp benefits by electronic benefits transfer for all food stamp recipients in the county has been implemented pursuant to Chapter 3 (commencing with Section 10065) of Part 1.

(c) Until issuance of food stamp benefits by electronic benefits transfer has been implemented in a county for all food stamp recipients, the director shall maintain, in the county, methods for over-the-counter issuance that guarantee program accessibility in all cases where a household has been found to be in immediate need of food assistance or where a household has been determined to be eligible for the replacement of a previous issuance.

SEC. 63. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified, the provisions of this act shall become operative

on the same date that the act takes effect pursuant to the California Constitution.

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